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THE INDEPENDENCE OF CANADA.*

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In England it is the custom for public men to seize the occasion of great gatherings of the people to address them upon public affairs. I humbly invoke that custom and your kind forbearance while I address to you some observations upon what I consider the great question of the day. I made some remarks in the same sense in Parliament at its last session, and was honored with a great deal of unfriendly criticism, and I am sure you will forgive me, if I improve the first favorable occasion for restating my opinions with some arguments in their support. I may premise that there is neither disloyalty nor indelicacy in bringing to your notice, a subject, which deeply interests this country—which has been discussed both in our own and in the British Parliament—and gener-

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ally by the Press in both countries—and which I firmly believe is the necessary complement of the great scheme of confederation we have accomplished. It is true that in my humble way, I opposed that scheme in great part, because I was timid about the early assumption of sovereignty, which I thought I foresaw, then, must follow. I stated in my place in Parliament, after the coalition of '64, that confederation, if it should really prove, what its promoters pretended, an antidote to annexation, was the first step towards the independence of the country. But opposition was useless, for confederation was the policy of the empire; and imperial influence is always too powerful for Colonial dissent. I have accepted the situation in its fullest sense, as faithfully and loyally as if I originally promoted it. But the first step having been taken, I see dangers in delay, and I believe it is expedient to take measures for the severance of our present relations to the Empire. This is a momentous step and requires grave consideration. It must create difference of opinion and the broadest tolerance should be accorded to discussion. I propose to speak candidly and dispassionately. I have no party battle to fight nor personal preferences to gratify. Holding strong opinions as to the future of this country, I submit them frankly for the verdict of my countrymen. Sooner or later the weight of opinion—the majority—must rule. I am prepared to accept the decision and loyally abide by its consequences. Such service as I can render will be cheerfully rendered, whether my country remains a province or becomes an Independent state. And I profess and feel profound respect for those who honestly dread the great change we are discussing.

Foremost among the barriers to our progress towards a nationality, is that noble sentiment of loyalty to the British Crown, which has so generally and so happily subsisted among the great masses of our people. Can we forget our noble Queen? Can we dissociate ourselves from the glories and the traditions of the Empire? British Citizenship is no idle word, and what could we create for ourselves to surpass it? For a century past the affectionate colonial eye has rested from afar upon the British Throne, as the centre of power, protection and glory. We have venerated the Old Land, with a far off colonial adoration,—we have borrowed her thoughts, leaned upon her opinion, and conscious of the plentitude of her effulgence, we have been proud to shine through her reflected light. England has been the land of our dreams; even distance lent her enchantment and Englishmen to us were a superior race. We have been proud of the Old Flag; not indeed feeling under it an equality with the Sea Kings, but assured of its protection, in the listless life of dependence which colonists lead. We knew if great danger should threaten, that Flag would float over us, stayed by an arm stronger than ours, which

we could not control; and that ours would be neither the duty or glory of upholding it. But dependence begets trust; and to confide in a generous people is to admire and love them. Can all this trustfulness, this affection and loyalty be torn ruthlessly away? It deserves at least respect and tender treatment. But it might not be wise to jeopardize the great future of our young country, for the sake of even so noble a sentiment, as the Hindoo widow sacrificed her life upon the funeral pile. Governments in our time, are ordained for the prosperity of the people, and if it can be shown that the virtues of self reliance and national Manhood—habits of original thought—a condition of equality with the nations of the earth—an immense preponderance of material advantage may be safely and permanently secured by a friendly change in our relations to the Empire; perhaps loyalty to the Dominion might come to overshadow the wide-spread sentiment of loyalty to the crown. The child nestles with fond dependence to the parental heart; one by one his habits of self-confidence are acquired as childhood merges into youth or manhood approaches. When at last the age of majority is reached, filial affection is not quenched, because the days of dependence are over. Nor could we plead the tenderness of the tie as an excuse for perpetual childhood. It is from such a point of view that the London "Times" speaks of Canada as "The eldest son of England."

But there are those who believe that the Independence of Canada would conflict with the Colonial policy of the Empire, and who taking their inspirations from the traditions of the past, make England's glory to consist in the vastness of her colonial possessions. The motto of "Ships, Colonies and commerce" belongs to an age that is past. Its mention summons the ghost of the old act of Navigation, and the celebrated 29 Acts of Parliament, for the maintenance of a Commercial Monopoly—"like melancholy ghosts of dead renown." It was a system of obstruction and restriction to Colonial enterprise, in which the Colonists were regarded as mere contributors to the wealth and glory of the parent State. Freedom has made rapid strides in England since those days, political economy has been remodeled, and political arithmetic has achieved new systems of calculation. England did not find that the loss of her original American Colonies dwarfed her industries, crippled her commerce or blighted her prestige as a nation. They have grown to be a greater people and more profitable customers. The young Colonies relieved from the restraints of tutelage espoused great principles and upheld them thus ensuring their own greatness and, incidentally, the elevation of universal mankind. Englishmen have watched with a careful eye the progress of their kinsmen in the untried field of freedom and equality. Slowly and cautiously they have copied what seemed to

be success, and have been warned of the distinctions between liberty and license; and thus for nearly a century the two great nations foremost in their devotions to the principles of popular freedom and constitutional government, have been a constant example and encouragement to each other. Sometimes there have been rivalries and estrangement. Quarrels among kinsmen are oftenest bitter and unreasonable, but the friends of peace and freedom have trusted, not in vain, to that palladium of common principles, which both peoples have cherished; and thus it has happened that the dismemberment of the Empire, which the matchless eloquence of Chatam and Burke foretold and deprecated, and honest old George the Third believed impossible, has proved a great commercial and political blessing to England and the world. The old motto meant after all, nothing more than, "ships, market and commerce." and these, under the new relations of the colonies have been multiplied a hundred fold.

Now let us like men of nerve and comprehension apply this lesson to ourselves. What benefit are we to England? From what we have seen, it is manifest, that our sovereign independence would enhance our own growth and resources, and multiply the advantages she could derive from our trade. The commercial argument therefore from an English point of view is against the connection, and this is why our enemies affect to despise it. But how are we otherwise useful? Are we a source of strength to her in war? Do we recruit her armies, or, failing to supply men, do we pour our means into her millitary coffers? We do not even afford a field for the political patronage of the British administration of the day, and there remains to England therefore, but the doubtful prestiges of nominal rule over vast American possessions. What wonder, that Englishmen are growing cold to this advantage, when they reflect upon the prodigality of blood and treasure it may one day cost them to maintain it? Faithful to her glorious traditions, England will act no dishonorable part towards us while we remain a portion of the empire. Her oft reiterated promise to defend us in case of war, she will fulfill with the last man and her last dollar. But the obligation is not the less an embarrassment because it is binding. And the more far seeing of her statesmen for the last fifty years, have looked towards a change of the conditions which imposed it. Step by step, in all the noble and unprecedented concessions they have accorded to us, we have been led cautiously, towards the paths of manhood and self-reliance; and they have explained to the British people, as they watched this problem, of a free government, growing out of their colonial jurisdiction, that the Colonial State was not what Burke called it, a "perpetual minority" but must expand into sovereign and independent powers. In the great Confeder-

ation debate of '65, the Hon. John Hilliard Cameron the leader of the high Tories of Upper Canada, declared, in denouncing the doctrines of the Manchester school, that Canada derives no important benefits from her connection with Great Britain, except in the matter of defence.

With this honest declaration of an untainted Conservative chief, I propose to open a brief discussion of the question. What benefit is England to Canada? I speak as to the future, and I am not unmindful of her generosity in the past, and the great heritage of free institutions she has bequeathed to us. These were our birthright, but a less magnanimous provincial policy would have denied them to us as Colonists. Sovereign or dependent, Canada will cherish for all time, a grateful memory of England's gentle and benignant rule over us, while she taught us the lessons of constitutional government. For all time, too, wherever our great populations are descended from her noble stock, we shall cherish the pride of kindred, shall claim our share in the glories of her literature, her martial powers, and her commercial triumphs. But these rights are not to us an exclusive heritage, and we but held them in common with the descendants, all over the world, of the great Foster-mother of nations; and I am enquiring after the special advantages of the connection. These are not to be found in our commercial intercourse for here we are left to compete against the world. It is not that her abundant capital, attracted by our loyalty and affection, flows in upon us because we are a dependency; to develop our resources, and to awaken the hum of industry along our shores; for that capital seeks only a safe return of its investments, and is oftener drawn where it is better rewarded among strangers. It is not that the prestige of the connection gives us a position among the peoples of the earth; for our powers are merely local and municipal, and bear the taint of inferiority and dependence. There remains, therefore, but the one advantage, and we end, as Mr. Cameron began for us,—the advantage of the connection is narrowed to the solitary matter of defence; and we shall see, as we proceed, that even this is of doubtful utility. Defence presupposes attack, which we have only to dread from our republican neighbours. But the difficulties with them, are always of an imperial character. The Trent affair, the Alabama claims, and the Irish Fenian quarrel with England, were all as foreign to us as the China Seas, and interested us only in their consequences. It is not true that the same may be said of Liverpool or Dublin for a hundred reasons; but especially because they are part of the British Isles, and are represented in the British parliament. We have no voice and cannot influence the foreign policy of the empire. There is only for us the duty of waiting till war is declared, and the luxury of becoming the field of blood, the theatre of desolation. Thus England would defend

us, but from what, but the consequences of her own quarrels? We have no occasion for dangerous controversy with our neighbors on our own account. Our interests are blended with theirs, and tend to mutual comity and good will, and the dangers of conflict will be a thousand fold removed when British entanglements are avoided. This fact has been again and again admitted by British Statesmen. During the debate in the House of Commons on the defences in 1865, Mr. S. Fitzgerald declared, that if Canada were independent, there would be no cause of quarrel between her and the United States. That it could be only through a desire to strike at England, that America would attack us. Canadians had not permitted the Alabama to escape or precipitately acknowledged belligerent rights, and there could be no cause of quarrel, except that she was united to England; and his belief was, that if Canada were independent to-morrow, she would not run the slightest danger of a contest. Mr. Cardwell adverted to that speech, as one, against whose tone the Government could make no complaint, and the sentiment was received with the approving hear-hears of the House. In the same debate Mr. Bright, whose views have not changed, and who is a power in England at this moment, declared, that should any occasion to defend us arise, it would not result from anything done by us, but would be a war growing out of the relations between the Cabinets of London and Washington.

It is true that in case of war, we would be no match for the power of our neighbors. But our dependence would be in the right and in the comity of nations. There is no reason to fear that they would be aggressive. Mexico, Cuba, the South American States have maintained their autonomy without molestation. And besides, as Mr. Cameron suggested the other day, there would probably be little difficulty in arranging for a British and American protectorate.

It is to be regretted of course, that a portion of the American press adopt a disagreeable and sensational tone upon this subject, and it suits the views of certain journals here to give these utterances an unnecessary prominence. They preach, of course, the manifest destiny of annexation, and they laugh at our independence, as impossible of maintenance for six months after its achievement. They say it is impossible for two peoples, of the same race and language to live alongside, without the absorption of the smaller by the greater. This is mere vapid assertion. The experiment of course was never tried, because the prescribed conditions were wanting. But what did these people preach about the Southern Confederacy? Did they not prate loudly of her power to sustain a national existence? And though she failed after prodigies of valor and skill, what reasonable man doubts that, could she have

achieved her independence, she might subsequently have maintained it? Yet the South was far behind us in her appreciation of freedom and the true elements of a nation's greatness. It is only poor Canada which is to be sneered and jeered into clinging to a system of tutelage and inferiority for ever. It was not the fashion to disparage her resources and poh! poh! her aspirations when the Hon. John Brown, in his Confederation speech spread out the map and invited the House to an enthusiastic study of her magnificent geography. He traced the island of Newfoundland, and found it equal in extent to the kingdom of Portugal. Crossing the straits to the main land, the hospitable shores of Nova Scotia, stretched out to the dimensions of the kingdom of Greece. New Brunswick was equal in extent to Denmark and Switzerland combined. Lower Canada was a country as large as France, and Upper Canada, 20,000 miles larger than Great Britain and Ireland put together. Across the continent to the shores of the Pacific was British Columbia, the land of golden promise, and comparable in extent to the Austrian Empire; and then the Indian territories which lie between were greater in extent than the whole soil of Russia. There were, he said, in Europe forty-eight sovereign states, and only eleven with a population greater than ours. In 1871 we were to stand equal in population to the ninth sovereign State in Europe. The honorable gentleman further told the House that in 1793 the commerce of the sovereign and independent United States, their exports and imports, did not amount to one-third of what ours did at that moment, and there were few states in Europe, and those with vastly greater population than our own, that could boast of anything like the foreign commerce passing through our hands. And France, though the third maritime power of the world, owned only 60,000 tons more of shipping than British America. Then the Dominion, whether for industry or defence, would muster a force of 70,000 seamen, and in round numbers 700,000 men capable of bearing arms. These are not the qualities of a country unfit for self-government and whose future need bear the taint of inferiority and dependence. I have said that independence is the natural sequence of the theories which promoted confederation. Lord Monck alluded to it as involving a "New Nationality," when he first referred to it in a speech from the throne. British statesmen have invariably discussed it as a step in the transition our institutions were undergoing. The events of the American war, and the attendant possibilities of a rupture with that country forced upon the attention of the British Government the question of the defence of their possessions on this continent. They promoted the scheme from an imperial point of view; and with reference to immediate relief from the embarrassments of their responsibili-

ties here. I cannot better express my view of the attitude they assumed than by quoting from the *True Witness* of March, 1867, one of the best written journals on this continent, and understood to be an organ of the Lower Canada Catholic clergy. The writer says: "We understand that the bill for the union of the B. N. A. Provinces has been rapidly carried through the three readings in the House of Lords. In all probability it will meet the same fate in the House of Commons; for in England public sentiment is very strong in favor of a measure which is looked upon as preliminary to the severance of a political connection not profitable and often very dangerous to the people of Great Britain. Some changes have been made in the Quebec scheme, apparently at the request of the delegates themselves, since we may well believe that in the Imperial Legislature the feeling towards these Provinces is a desire to get rid of them altogether as honorably and as speedily as possible. They profit Great Britain neither materially nor morally. * * * * All that remains for Great Britain is to get rid of her North American Provinces as speedily and with as little loss of moral prestige as possible. The so-called Confederation of these Provinces presents the means for accomplishing this, and it is therefore eagerly grasped at by men of all parties." There is no doubt that, more or less directly, such views were urged upon our delegates while the negotiations were proceeding in England. Indeed so determined were all parties there to hurry through the arrangement, that the most solemn remonstrances of its colonial opponents were treated with almost universal and contumacious neglect. And the views of the statesmen, as might be expected, are quietly reflected among the people of England. All the organs of opinion, the popular *Times*, the Radical *Star* and the Tory *Standard*, the stately *Saturday Review* and the snobbish *Pall Mall Gazette*, with their satellites all over the kingdom, adopt the same tone; either that Canada is an incumbrance to England or they are ready to promote her independence to-morrow; and every colonist with whom you speak and who has had the entre to British society will tell you that the same feeling pervades the British mind. Adam Smith wrote that no dominant country could ever voluntarily relinquish its power over a dependency. But he regarded the abandonment in the light of a sacrifice, and in our case England has already abandoned all the patronage which, in his view, was a temptation to retain dominant power. But Mr. Cornwall Lewis, who wrote later, and after modern colonial views began to permeate England, regarded as probable that a parent state, deriving no advantage from a dependency, and believing that the dependency was able and willing to form an independent state, might abandon its authority for the want of a sufficient inducement to retain it. There

might even be positive reasons for a withdrawal, as if the dependency contributes nothing to the commercial facilities of the dominant country, it is a source of expense to the supreme government, and may involve the dominant country in war; and he further says that if the parent state understands its true relation to the dependency it will voluntarily recognize independence when there is fitness to maintain it; will prepare those for independence who are still unable to stand alone; and will seek rather to promote its trade, than its Empire. Englishmen believe that we are able to fulfil all these conditions and they are cautiously but persistently pressing the responsibility upon us. Need we hesitate to take the hint and prepare to assume it? Are our public men too timid to lead the people up to the great work which is before them? Are they blind to the signs of the times or are they seeking to encourage the people in blindness? It is time that every Canadian should comprehend the attitude which England is assuming; and that he should calmly and dispassionately admit there is method in the madness she is accused of. We have seen that in a commercial sense or in a sense of military or national *prestige*, she derives no advantage from the connection. We have seen, that there is mutual disadvantage—unmistakeable danger to the mother and the child, in the relations subsisting between them. How long can we afford to cultivate blindness to our true position, and go on simulating an importance which is deceitful and visionary. The change must come and it is only manful to prepare for it. It is childish to underate ourselves or the duties that await us. There are dangers in delay, and it is our duty to face the grave aspect of the position. As we have seen, the interest and the policy of the Imperial Government are unmistakeable. Tory and Radical seem for once in accord. No doubt the responsibility of ministers in England, the delicacies of party relations, the anxiety of one side to retain office and of the other side to obtain it, may temper imperial tactics and stimulate caution and reserve. It may be that even yet a skilful appeal to the dead past of the old colonial policy might rouse a spirit of resistance among the British masses. There may be some who still believe that the perpetual minority of the Colonies is essential to the glory of the Empire; as there are still some who cherish the traditionary faith that one Englishman can whip two Frenchmen. This state of things may delay, but it cannot avert the crisis. There remains still the Colonial Policy—the unmistakeable hand writing on the wall. Even Sir John Young our chief Imperial officer, an able, astute, and experienced statesman, has not found it consistent with his high duties to be reticent upon this great question of the hour. Cautiously of course, as became his high office, but signifi-

cantly as the representative of great imperial interests here, he hints at the transition State, through which our institutions are passing. He stated at Quebec and reiterated at Halifax, that Canadian statesmen and people are the best judges of their own interests; that their destinies were in their own hands, and that if they decided upon some change, the proposition would receive from the statesmen and people of England a generous and friendly consideration. His Excellency does not belong to that school of thinkers, who preach that pending the great consolidation here, further changes are not to be thought of. He does not tell us that, because Confederation is but half accomplished, we should shut our eyes to the future, and leave blind chance to accomplish the destinies of this Great Northern Dominion. He tells us indeed, in his Halifax speech, that he had been misrepresented at Quebec, and that he had been made to talk of change of allegiance, when he only meant change of alliance. Nobody but the wilfully blind could have understood His Excellency otherwise. Nobody could have dreamed that a British Governor would suggest to the people of half a continent under his rule the cession of their territory to a foreign power. But His Excellency is too good a philologist not to understand the full purport of the words he discusses. Allegiance signifies the obligation of a subject to his prince or government; alliance suggests original powers mutually exercised by the parties to a compact, and practically, therefore, allegiance ceases when alliance begins; and this view is quite consistent with Sir John Young's able speeches, as interpreted by himself. He simply did not intend to convey the idea that England would promote the annexation of this great country to the vast territories of our republican neighbors, while at the same time he felt that the future had something nobler in store for us than the mere colonial tutelage of our times. Hence he spoke of change from such a state, encouraged by us, by reciting the example of Holland, with smaller territory and fewer resources, and cheered us with the promise of the perpetual good will of his government and "alliance" with England, the "mother of nations." The country owes a debt of gratitude to His Excellency for this timely aid to the popular thought, for thus cautiously foreshadowing that brilliant future whose effulgence has dazzled his timid ministers. It is, moreover, stated, upon what seems to be undoubted authority, that when it was intimated to Sir A. T. Galt that Her Majesty had it in contemplation, in view of his distinguished public services, to confer upon him the honor of knighthood, that gentleman took occasion to lay before the Executive a statement expressing his high sense of this great honor, but that he felt he ought, before accepting it, to represent the strong views he entertained in

favor of the early independence of this country. But Her Majesty's representative found in this phase of opinion no disqualification for royal favor, and Her Majesty was graciously pleased to confer it. It would be fair to ask if Sir John Young did not mean to indicate independence, what did he mean? He could not have referred to our representation in the British Parliament, the only means by which we colonists could become the equals of our trans-Atlantic countrymen, and an impossible concession from the Imperial Government. If England were to admit the representatives of her millions of colonists to seats in the House of Commons, how long would she maintain her metropolitan and conservative dominance? How long before she must cease to consider colonial questions from an Imperial point of view, and find her children assuming the attitude of her masters? Such a solution of the colonial relationship is undesirable and impossible. Englishmen would never dream of it, and if they did, it would not meet our colonial wants. Perhaps it would be fair to interpret that speech in the light of Imperial opinion. It is not to be supposed that His Excellency intended to start new and original theories. Let us believe him to have been in accord with the statesmen of his country and his time. In that great debate, from which I have quoted on the defences of this country, Mr. Disraeli alluded to the hypothesis of a desire on the part of Canada and the other North American Colonies, for independence; and to the hour when England might thus lose a dependency, but gain a firm ally and friend. And again, he said Canada has its own future before it. We have a right to assume it. It has all the elements which make a great nation. It has at this moment a strong development of nationality, and the full conviction on the part of England that these Provinces may ultimately become an independent country is to her, not a source of mortification, but of pride. Mr. Bright in the same debate points out the reason why Canadians should feel, if they are like other Englishmen, that it would be better for their country to be disentangled from the politics of England, and to assume the position of an independent state. He believed, from what had been stated by official gentlemen in the present government, and in previous governments, that there was no objection to the independence of Canada whenever Canada might wish it. If Canada, by a friendly separation, became an independent state, said Mr. Bright, choosing its own form of government—monarchical, if it liked a monarchy, or republican, if it preferred a republic, it would not be less friendly to England. And in case of war, Canada would then be a neutral country, and her population enjoy greater security. In the same debate Lord Palmerston declared that when the Provinces felt strong enough to stand alone, and desired the

connection no longer, England would say "God speed you and give you the means to maintain yourselves as a nation." These general sentiments of the debate provoked no dissent in the House, where all shades of British opinion are represented. And though nobody declared the time had come, England was manifestly shaping her policy to meet it. I shall pass over the stronger expressions, the advanced opinions of subsequent debates, because time does not permit me to produce a *repertoire* of all the discussions on this subject. But in the light of what has gone before it is not easy to misunderstand the remarkable utterances of Mr. Gladstone, the Prime Minister of England, during the debate in the House of Commons the other day upon the subject of guaranteeing the Hudson Bay Loan. Objections had been taken to the principal of colonial guarantees, and Mr. Gladstone fully endorsed them. But he declared that this guarantee was given for a strictly imperial object, to dissociate England from the inconvenience of too extensive territorial possessions. In former times, said Mr. Gladstone, the American Colonies were entangled in a vicious system of dependence on England. The government wished to engender in them a spirit of independence. They wished to wind up the old system and see the colonies make a new start. That was not to be a beginning, but an end. Almost as I speak a confirmatory missive comes to us across the water—one of the strangest, as it is one of the most important events of our time. The *London Times* by the last steamer is handed me, containing a circular from a meeting of colonists in London, expressing alarm at the new imperial views of the colonial relations, and seeking to provide means of inducing the British Government to withdraw from its lately declared policy on the subject of colonial defence; or failing in that, to demand to be released from their allegiance, and to adopt such further means as the exigencies of the new situation may require. The circular suggests a conference in London during the next session of the imperial Parliament of delegates from all the colonial governments, and the *Times* vouches for the importance of the movement, which it regards as an epoch by the tone in which it discusses the whole question. That journal, the most delicate thermometer of influential opinion in England, argues that the remonstrances will be fruitless, and warns the colonies to rely on their own independence. From all this it appears that the attitude of England is sufficiently pronounced and comprehensible, and one of its effects will be powerfully to modify and ripen colonial opinion. At first, no doubt, among our own people, we may witness bewilderment and surprise. Some will make it a pretext to advance preconceived opinions, and others may at first turn from it in disgust; but in the end the sober

second thought of our countrymen, if the opportunity is afforded them, will grapple with the subject in a patriotic spirit and with a fair reference to its bearing upon the interests of both countries. In this spirit I propose to consider a little more fully the relations of this subject to our Canadian interests, and perhaps to extend in some further detail points to which I have already adverted. There is a class of politicians and publicists among us who pretend that until the great scheme of Confederation is perfected the talk of further change is a fatal disturbance to the public mind. And in a despotic country, where popular opinion can be dispensed with, where all power rests with the Government and the theories of free institutions are unknown, such a dictum might be tolerated. It would be consonant with such a view to discourage thought, to forbid discussion, and by all means to smother whatever should tend to promote an intelligent public sentiment among the people. They might learn to differ from the policy of their rulers, and this might lead to disturbance and alienation. But such a pretension implies insult to a free people and indicates the apprehension of those who proclaim it, that they may cease to overshadow and control them. The Irish difficulties are as intricate as any of the embarrassments of our own position; yet we did not hear that Mr. Bright was forbidden to discuss the Land question until after the disestablishment had been perfected. The truth lies entirely in the opposite sense. It is the duty of public men, whose lives are devoted to the study of public questions, to discuss them before the people, that they may be educated to comprehend the great issues which involve the destinies of their country. These writers would conceal, while I would proclaim from the house-tops, the stern facts of the situation. They would hush the popular interest—lull the spirit of inquiry—while I, reposing ample faith in their honesty and patriotism of my countrymen, would excite the one, that I might lead the other, through the paths of intelligent research, to the haven of wise and profitable conclusions. Doubtless there is too much of disquiet in the public mind; but to discuss the position is not to create it; and he must be a crazy thinker who can suppose that, in view of all the circumstances, the people are to look on without thought and without speech! But who is to control the impressions of the masses, to limit their thoughts, to curb their restless mental activities? The people are observant; in their own way they read the signs of the times, and among them the apprehension is almost universal that we are on the eve of radical political changes. You and I, no, doubt, share the same apprehension. Is it, not, then, the duty of our political teachers to cultivate our opinions, to enlighten us and to prepare us for our duties in whatever awaits us, rather than to silence our inqui-

ries and leave us to drift in the dangerous currents of uncultivated speculations! The great commercial want of this country is a profitable market for the surplus products of our industry. It was the theory of confederation to supply this want by opening up to us the markets of the sister provinces. I am afraid the results have not thus far greatly increased our scanty manufactures. Our natural market is the American, and we do, and shall suffer, till we gain access to it. Nor would a mere temporary treaty, subject to the caprices of politicians and entangled with the embarrassments of British foreign diplomacy, afford a full remedy. Manufactures and commerce prosper under permanent as well as liberal tariff arrangements, and it is in vain that you treat them with generosity to-day if there is apprehension that you may cramp them to-morrow. We require markets; but to confer their full benefits they must be permanent, so that capital may acquire confidence and seek permanent investments here. Without this state of things our trade must be limited and manufactures remain exotics among us; and, the exodus of our population remaining about equal to its normal increase, the promise of progress is not cheering. We ought to be manufacturers for this continent, with our cheap labor, cheap living and wonderful natural facilities. We cannot compete against the distance, the skill, the capital and teeming labor of the Old World, and there remains for us but the comparatively petty business of supplying our own sparse populations in unhealthy competition with the great manufacturing industries of England and America; and it often happens in time of depression, when our struggling manufactures most need encouragement and support, that we are made a sacrifice market for those great countries, to the ruin of our home trade. Our agriculture is confined to our own markets, or leeched and crippled by the exorbitant exactions of the American Customs collectors. The development of our mines, too, is prevented by like inhospitable exactions, and we are depleted and impoverished by a paper wall of legislative prohibitions, built along an imaginary line. In this strait it is cold comfort to assure us that the neighboring trade suffers equally with our own; a fact, nevertheless, modified by this difference—that the aggregate of their commerce is so much greater than ours. It would be idle to doubt that these influences have contributed to produce the present languishing trade and universal depression. The *Canada Gazette* affords the spectacle of forty insolvents in one week; and the unfortunate list stretches back for months past in alarming proportions. The emigration of common laborers to the States is something actually alarming; and it could not be otherwise, for our water powers are neglected, our mines are closed, and we have no means of furnishing employment to our people. Some wise statesman has been understood to exult over the fact that many of these

poor people go away with the hope of returning; but it is a sad commentary on our hopes for the future if there are to be no means to remove the stern necessity, the hopeless poverty and want of employment, which drives them, unwilling, away. We are told that depression prevails in the States, which is true; but the manufactures are established there, and even the limited production goes on, the markets are supplied, and the poor laborer is employed and paid. It is to him matter of little moment whether the dividend of the stockholder is small or great, so long as his services are continued and he is enabled to sustain and educate his family. No doubt if a like chance were open to him here he would return to his native country to-morrow. And for all this, is there no remedy? Tell me which of your statesmen has proposed one. We may drag on as we are, but it were folly to hope for any rapid or general prosperity. The politicians of Ontario, ignoring the outward signs, profess to stand in no need of relief; but there is a different feeling in Quebec, New Brunswick and Nova Scotia. It is said there is hope of a new Trade treaty, which would be a great boon; but it must promise permanence, to create confidence. We must have free and assured commercial intercourse with the States, and they need it as well as ourselves. I shall be told these theories lead to annexation; and it is true that, so far as our embarrassments relate to commercial intercourse, annexation would supply a remedy. But would it be the best remedy? I think not; and even if it were otherwise, would it be desirable or possible of achievement? I shall speak of this later on. But mine is another scheme, and, I think, a better one, for a system of continental trade. I would banish the Custom Houses along the frontier; but I would preserve the imaginary line, as a broad division between two friendly nations, who desire, while maintaining free intercourse, to maintain their autonomy—to work out their own destiny and develop their own free institutions. Before the formation of the Zollverein by treaty stipulations, the commercial intercourse of the several German States was hampered by disabilities and restrictions similar to those which prevail between us and our neighbors at this moment. The introduction of merchandise from one State to another was not permitted without the payment of duties. In addition to this numerous prohibitions existed, and the trade relations between the contiguous sovereignties were fettered by oppressive and vexatious restrictions. But the inconvenience became manifest and intolerable, and the German States, while retaining their autonomy, introduced a wiser commercial policy. They removed those unnecessary burdens which only tended to clog enterprise and choke the channels of legitimate trade between contiguous States. They adopted one consolidated Government for commercial purposes, one line of customs on the Geographical bound-

daries was established—one tariff, export and transit, was enforced for all, and the revenue thus acquired was distributed among the members of the confederation in proportion to the population of each. This system for a long series of years has given satisfaction in Germany, and it is conceivable that Canada and the United States might adopt something akin to it with mutual and permanent advantage. This would be preferable to any Reciprocity Treaty, because it would be absolute and permanent free trade between the two countries. It is preferable again, because it could be more easily obtained, and would indeed be a favorite arrangement with the Americans. It would save both parties immense expense along their frontier, and would disband a vast army of smugglers. It might be effected in six months, and while it would be equally advantageous to our neighbors, it would make Canada a great agricultural, mining and manufacturing country. It would be popular in the United States because it would please the free trader, and Mr. Greeley, the great protectionist, has promised us his support. It would settle the Fisheries and give them the free navigation of the St. Lawrence, and it would open half a Continent to their enterprise and capital. It would give us access to the markets of 40,000,000 of people. It would attract to us unlimited capital, and our country would be dotted with numerous mining and manufacturing villages. Our agricultural and commercial interests would multiply and expand in proportion. Our people would be employed at home, and multitudes of foreign laborers would be attracted from abroad. Happiness and contentment would walk hand in hand with the prosperity of our countrymen. You like the picture, but alas! it has awkward shades; and it is set in an ugly frame. We can't negotiate such a treaty. Canada has great interests, but she has no power. She can exercise no diplomatic functions, because she has no recognized foreign relations. She might attempt it and be snubbed, after the manner of Prince Edward Island. There were those who sneered at my ignorance when I made this statement in the House, because the British Minister had been instructed to consult us in his negotiations. Do they think Mr. Thornton would negotiate this Zollverein for us? No! Because it would conflict with the policy of the Empire. Canada, as a dependency, can never become a party to a Continental Commercial policy here, because it would involve a discrimination against British goods. This is reasonable, and we must not complain of it. It would, indeed, be a vicious system, which would ignore the interests of the mother country and discriminate in favor of a foreign power. And yet how egregiously ~~we~~ we are the sufferers! There is but one logical remedy, and that brings me again to the same conclusion—a separation from the parent State. Independent, we might accomplish this

What business is this?

commercial advantage. Independent, we might take the staff in our own hands. We should have foreign relations. We could negotiate treaties. In this sense we could not suffer from the change. We know our own interests, but British diplomacy on this continent has never been a success. It could not be otherwise. Imperial statesmen have little time to think of us. They are better employed on the restless sea of European complications. But they are wiser than us in the appreciation of our affairs, for they believe and wish that we should assume our independence and maintain it. We shall grow to it in time if we are patient and discreet. But the pioneers of the movement must bare their bosoms for temporary contumely and reproach. There is a class of people among us, I believe they are not numerous, though the uncertainties of the times are calculated to increase them, who are impatient of half measures, and who desire immediate annexation to the States. To such people I say, what advantages would you derive, that the Zollverein would not afford you? Surely you do not prefer the system of our neighbors to our own British responsible system of government. You are not unmindful of the elevation which national hopes and aspirations would impart to our people. Why not join us and work out that system under improved conditions on this continent? England would gladly consent to our independence and aid us with the perpetual alliance her statesmen have promised. But could she without loss of prestige and honor consent to the alienation of half a continent, and its cession to a foreign power? You only complicate the situation by your impracticable demands. You furnish weapons to the enemy, and you do not serve your own views. If Canada is ever separated from England, it will be at the cannon's mouth, if it be not to establish her sovereign independence. It is better for America, and better for ourselves, that the Dominion should remain autonomous. The United States territories are vast enough, and she can well afford to let us try the experiment of self government. We shall work out a system slightly different from her own, but within the bonds of friendly commercial relations. If her flag floated over the whole continent, where would be the right of asylum in case of civil disorder? And what benefit would she derive from a multitude of people who should enter her councils in a spirit of repining and discontent because they had not been left to develop and glorify their own nationality. And I must say a word to another class of objectors. There is a powerful party here who represent the United States as overbearing and aggressive. They believe that the inauguration of a commercial Zollverein would be followed by overt acts for our subjection. I believe this statement is unfounded. I have no doubt that judicious negotiations might speedily remove the danger of it, by the guarantee of our status,

through the means of a treaty of comity with us between the United States and England; and I have no doubt that early steps should be taken to secure it. But I don't believe it is fair to assert that the Americans are an aggressive people. They are, as a nation, wedded to the arts of peace, Sometimes filibusters have departed from their shores, but they have never succeeded, and they have never been encouraged by their government. As I have already said, Mexico, Cuba, and the Spanish American States have never suffered from an American spirit of conquest. True, there was a war with Mexico, but with that nation at her feet, the Americans refused her subjugation. With less cause France invaded that country, and attempted to monopolize her government. England, by a happy accident, escaped. But I shall be told that the Monroe doctrine contemplates the unqualified subjugation of the continent, and that the Americans preach that doctrine as Peter the Hermit preached the Crusades. So much has been said of the monstrosities of that doctrine—so many excellent old ladies have been alarmed by it—that perhaps we may profitably enquire what it was, and whether we should really regard it as a standing menace to us and our children? It will, perhaps, startle some people to be told that this doctrine was essentially of British origin, and that it was suggested by Mr. Canning. France had put down the constitutional principles which prevailed in Spain, and entertained the notion of defraying her expenses by acquiring Spanish colonies in South America, and England, indignant at conduct so detrimental to her interests, and with the aversion which Mr. Canning had ever shown to the Holy Alliance, induced President Monroe to enunciate the doctrine which has since become so famous. The following quotation, from the late edition of the *Encyclopædia Britannica*, will explain what that doctrine really was: "James Monroe succeeded Madison in the Presidency, and retained it eight years (1817 to 1825.) Towards the close of his administration (1823), in compliance with the suggestion of his Secretary of State John Quincy Adams, he introduced into his message to Congress—adverting into the purpose of the European allies of Spain to assist her in subjugating her revolted colonies in Central and South America—the assertion of a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent positions which they have assumed and maintained, are henceforth not to be considered as subjects for future colonization by any European power. * * * * *

"With the existing colonies or dependencies of any European power," continues the message, "we have not interfered, and shall not interfere. But with the governments who have declared their independence and maintained it, and whose independence we have on great consideration and on just principles acknowledged, we could not view any interposition for the

purpose of oppressing them, or of controlling by any other manner their destiny by any European power in any other light than as the manifestation of an unfriendly disposition towards the United States."

Congress took no action upon this; but the spirit of that body, and of the nation was in favor of the Monroe doctrine. Lord Brougham, in referring to the President's declaration, stated that it had diffused joy over all free men in Europe; and Sir J. MacIntosh spoke of it in the following terms: "This wise government, in grave but determined language, and with that reasonable and deliberate tone which becomes true courage proclaims the principles of her policy, and makes known the cases in which the care of her own safety will compel her to take up arms for the defence of other States. I have already observed its coincidence with the declarations of England, which, indeed, is perfect, if allowance be made for the deeper, or at least more immediate interest in the independence of South America, which near neighborhood gives to the United States. This coincidence of the two great English commonwealths—for so I delight to call them, and I heartily pray that they may be for ever united in the cause of justice and liberty—cannot be contemplated without the utmost pleasure by every enlightened citizen of the earth." Thus it will be seen that the real Monroe doctrine differs entirely from the popular version of it, that it was suggested and heartily endorsed by England, and that it conveys no warning or menace to us. I entertain no doubt that the American Government and people would promote, by all convenient means, the independence of this country, and the intimate commercial relations I have suggested, and as will have been seen, my doubts are as few, that England would encourage the arrangement and promote it to every reasonable extent. But even if improved trade relations with our neighbors were impossible, the safest way out of our commercial difficulties is to throw off the restraints of the colonial state. It is conceivable that the tide of European emigration might, to some extent, be diverted from the American States to our own rich and extensive valleys of the Northwest, but for the European prejudice against dependent States; and especially the Irish prejudice against British sovereignty. Disguise it as we may, these are serious drawbacks to our immigration policy, and account in some measure for its practical failure. With the Northwest peopled, and with facilities of access to it, an important market will be opened to us and a corresponding growth of our manufactures will follow. And as we have already seen, independence would contribute to the establishment of an assured and permanent commercial policy; without which capital will continue to distrust us, and refuse to play its legitimate part in the development of our resources. Independence moreover, would create among us that

spirit of self-confidence and enterprise which prevails so largely among our neighbors, which has contributed so much to their greatness and which grew out of the national independence they established. From such a point of view, I have no doubt that here similar results would flow from similar causes, and that our powers of expansion would be immensely increased, by the higher responsibilities of the position; and though, as I have shown, our natural market is with our neighbors; and our exclusion from them would make our progress towards greatness comparatively toilsome;—having exhausted all means to establish fair intercourse,—I should by no means despair of my country, if, as I am sure will not happen, that intercourse were refused. But even in that case as in the other, independence would multiply and accelerate our successes; so that in any way, the gain to us is in proportion to our growth in manhood and self-reliance. I have already considered the probable influence of independence upon the character of the people of this country. I have always lamented the want of a Canadian national spirit. I regard it as an elementary truth, that no people can respect themselves or command the respect of others, who have among them no common sentiment of national pride and devotion. It bears to national life a relation, similar to the filial attachment of the domestic circle; and is, at the same time, the glory and the safe-guard of a free people. It is painful to remark its absence in this country. You will find national pride here, but it is an exotic, an importation. It is English or Scotch, Irish French and American; and the disposition to magnify a real Canadian nationality is too often and unhappily confined to the official, the placeman, whose duty and whose interest it is to make a proper display before the people. In how many promiscuous gatherings you might sneer the nationality of the Dominion without exciting an apologist or provoking an avenger. [But the subject is vast, and grows upon us in the contemplation of it. A full discussion would fill a book instead of a lecture. Time hurries me to a conclusion. This is a great scheme and your destinies are interwoven with it. I have touched upon its general features; you can do the filling up at your leisure, if you do me the honor to reflect upon what I have told you. We have seen that the subject is ripe for discussion; and that our vital interests are involved. We have seen that England is embarrassed by her relations to her dependencies here, and that Canada is crippled by the restrictions of the connection. We have seen how our noblest sentiments of loyalty to the crown may be merged and intensified into loyalty to the Dominion; and how a spirit of national patriotism is indispensable to our growth in enterprise and self-reliance. We have seen how the removal of Imperial tutelage, paved the way for the growth and expansion of the older

North American Colonies; and how rapidly, while administering their own resources, they rose into greatness and power. And we have seen how England was immensely the gainer, by this providential change of her relationship to them. I have shown how we might profit by their example—not through revolt and bloodshed,—for we find England offering us the boon of independence, which she denied to them,—and thus the way is made easy, through peaceful paths, for the accomplishment of our nationality. I have shown that the proposed state is but a second and necessary step in the great drama of confederation,—and, that it indicates no revolution, no violent distortion of our institutions. I have shown that England desires the change, and that we need it; and that it would happily solve for us great commercial and political problems. I have shown how it might lead to the cultivation of amity between ourselves and our neighbors—how it must tolerate the separate independence of each, while it embraces the widest freedom of commercial relations. I have warned the impetuous reformers, who would prize beyond all this, political alliance—that annexation is impossible,—and the agitation for it an embarrassment; and I have predicted that the Americans will be content with this change, so important and so easy of achievement; and which unlike its alternative, annexation, involves no humiliation to England. I have shown how the vast territories, the important population, and immense resources of this Dominion entitle it to a respectable place among the leading nationalities of the earth; and I have rebuked the critics who sneer at such aspirations, decry our abilities, and prophecy our humiliation and defeat. It may be all a dream; but it is a vision of a great future of wealth and happiness, of power and glory for our country. And it is a vision which foretells a fact, and will ere long expand into the region of substantial reality. I have necessarily left untouched several important branches of this great question. The army and navy—the diplomatic arm of the public service—the whole subject of the public expenditure—whether the new nationality would increase or diminish it, how best it may be provided, I have left altogether out of this preliminary discussion. It is enough for my present purpose to know that the ninth sovereign power as to population; the fourth as to commerce, and perhaps the first as to territory and undeveloped resources, will be prepared for the fiscal exigencies of its time. I have left out of the discussion the form of the proposed government of the Dominion. It is enough for my purpose to say that it must be a free system, whether organized as monarchical or republican. Further on in the agitation, we ought to have abundant opportunity to contrast the two systems and discuss them. It might happen that, as with Confederation, our politicians will give us a system, ready made, without troubling the people for opinions, yet the subject has

engaged some preliminary attention. The significant fact is stated that during the negotiations about the Confederation act in England, Sir John A. McDonald advocated the adoption of the word Kingdom instead of Dominion of Canada. And it is well known that a Canadian Monarchy was one of the dreams of the late Mr. D'Arcy McGee, administered by an English prince and dignified by a local nobility. And the able organs, of the hierarchy of Lower Canada, who have cautiously written in favor of independence, are understood to favor similar views. On the other hand, there will be found those who dread the expenses of royalty, and who doubt the feasibility of ingrafting feudal forms and pageantry upon the democratic institutions of the new world. Such people see no charms in the extravagance of a court and the re-enactment of the laws of primogeniture for the maintenance of a privileged class. They will tell you that a system which failed in Mexico with France at her back cannot prevail here among the levelling influences of free institutions. But you and I may await the current of events, and prepare for the discussion in due season. It is well for these who agree as to the end to be achieved, to agree also upon the postponement of disturbing collateral issues. We shall find for a time yet a fierce party to fight—composed of those numerous and powerful interests which depend upon the maintenance of things as they are; and, embracing as well, no doubt, a large element of disinterested loyalty and honest devotion to the country. I proposed at the outset to speak from no party point of view. My theme is exalted above and beyond the divisions of party; and barring personal bitterness, my position has been assailed as fiercely by my friends as by my enemies. But this is not the occasion for recrimination or reply. My dependence is upon the completeness of my argument. I have strong views as a party man, but they have no place in this discussion. I might cross the house to-morrow—if I found my enemies adopting these views, and if my friends should persist in opposing them. There is a grave responsibility resting upon our public men. The country is adrift and the public mind is disquieted. Everybody believes the finality is not reached and asks, *Whither are we drifting?* Some suspect that the administration hold peculiar views—but they neither venture to deny nor proclaim them. When I had the honor first to express these opinions on the floor of Parliament ministers treated me to some personal abuse, but upon the main question they were cautious and silent. There was a profound impression through the house—but they ventured upon no word of disavowal. Their opinions were shadowed in mystery and they had not the courage to proclaim them. Afterwards when this strange phase of the debate had provoked some comment from the press, Sir George Cartier did indulge in a gentle dissent from my conclusions. Nobody denies that a change must come,

and there remains only the question of time and fitness and preparation. I repeat that public opinion is adrift, and the policy of the administration of the day should be openly avowed and vindicated. If they are opposed to these views, they ought to set their faces boldly and publicly against them. If the time has not arrived, and if they want delay and opportunity to prepare for it, let them openly declare their views and shape their legislation to maintain them. The public could afford to wait, if this dangerous uncertainty were dispelled, and if there were a fixed idea in the popular mind of a definite and desirable future. But grave dangers lurk behind the delays, the doubts and the insecurities of the hour. The truth must be told that we are fast losing our hold upon the loyalty and confidence of our people. Discontent and non-confidence stalk openly among them; and the enemies of our future are encouraged to flaunt their evil prophecies before our very doors. A national policy, pronounced and progressive, would attract the ear and excite the confidence of the public. They would listen to your appeal, if you supplied them with motives and invoked their sympathies, inspired them with national hopes and aspirations—and their interest in a future they could be proud of, would be like a sheet anchor to hold them fast to the Dominion. And now gentlemen, I have fulfilled the duty which, I thought, was incumbent upon me, of addressing you some observations, on this absorbing topic of the hour. I have counted the cost and I know the penalty. You have not misunderstood,—but my enemies, as is their custom, will misrepresent and malign me. I shall be neither intimidated nor disheartened. If my views prevail, some of them will join me before the battle is over. If they are rejected, I have still performed my duty. Sometimes it requires boldness to speak the truth, but there is no power to stifle free discussion in this country. You and I have a right to our opinions, and the right to discuss them. The statesmen of England have set us the example, in the very citadel of the empire. There is no political disability here,—for the councils of the nation are presided over to day by men,—some of whom lately sought to subvert the government,—and others to promote its immediate annexation. They are loyal citizens now, and so are we. Time changes conditions and works marvels and time will accomplish the great destinies of this country,—and let us hope, in a manner most conducive to the happiness of its people. In such a case, though my theories should be exploded, my hopes would be fulfilled. Let us hope, too, whatever befalls,—in this great crisis of our history,—for an advancing intelligence—of brotherhood and toleration among us. And let us prayerfully commend our country, its future, its people, to the gracious protection and guidance of the great Father of Nations.

THE GOLD CLIQUES.

There is one question which the public are anxiously asking about the gold cliques, namely: what are the names of its members. Other things the people have been told with the most ready frankness, but this is as much a mystery as ever. It is known, for example, that the capital actually owned was small, and the length of time in which the clique was at work was much less than was supposed. A competent authority says that ten or twelve days only elapsed between the first purchases of the clique at 135, and its closing transactions at 160 or over on Friday, the fatal 24th of September. We are also told that up to the very day previous, the clique did all its business through its brokers, Smith, Gould, Martin & Co., who employed other brokers, and carried on their scheme so skilfully and quietly that they bought 25 millions, at least without putting up the price beyond 137½ until the 22d September, when they purposely advanced it to 141½, and later to 149½. The 25 millions of purchased gold is supposed to have cost an average price of 139, and was freely loaned to the bears, considerable sums of money being called up as margins with every successive advance of the quotations. In embracing this policy the clique appear to have adopted the maxim of Napoleon, which was that "the enemy should always bear the cost of the war." The clique, by lending not only received the money back which they had paid for it, but got their gold "carried" for nothing, compelled their opponents to pay them interest for the privilege of "carrying" it, and called up margins so as to obtain new funds wherewith to go into the market again to make fresh purchases.

Up to Thursday, the 23d of September, everything worked like a charm. But on that day something happened. The Tenth National Bank was visited by those polite gentlemanly men from Washington, who at once began to examine the books of the bank. A cheque for a million of dollars drawn by the clique was, it is affirmed, refused certification, as the bank examiner inspected every cheque which came in and was particularly careful to see that the law was not violated, which requires, on pain of forfeiture of franchise, that no bank shall certify cheques ahead, or shall lend to any one firm or individual more than one-tenth of its capital. The bank machinery of the clique was thus disorganized. It was useless to apply elsewhere. Fortune was deserting the gold gamblers. Such is the story which has been told in Wall street, published without contradiction in the newspapers and believed by well-informed persons to be true. The next movement was to save Gould, Martin & Co., if possible, from the risk of failure by a method which we will quote from a

morning paper that has evidently obtained access to authentic information and claims to speak by authority. The *Sun* of yesterday says:

"On that Thursday night the clique determined to bring their scheme to a head. They had gold enough to enable them, as they supposed, absolutely to control the market; and their game was to press the price to the utmost, and gather in the margins on their immense loans, or compel settlements at such figures as they might dictate. In order, however, to carry out this scheme, it would be necessary to keep on buying gold to make a market. They did not want any more gold, but rather desired to sell what they had, and garner up their winnings. Gold was intrinsically worth but about 135, to which price it must inevitably fall when the movement should be accomplished; and those to whom the clique should sell at the high prices to which they intended to force the market, must of necessity be ruined. The gold that the clique would have to buy in forcing up the price would also be a dead loss to them should they be compelled to carry it. In this dilemma they apparently determined on playing the stale game of letting some of their own party break, while the others were to bag the spoils, and hold them until the final division. This was the scheme, and one of its features was that Smith, Gould, Martin & Co. were to be kept afloat. Accordingly, on Friday morning the base of operations was changed from the office of that firm to that of Wm. Heath & Co., from which place all the orders of the clique now emanated, while Smith, Gould, Martin & Co., as a firm, were left to operate ostensibly on their own account."

How gold was on the following day forced suddenly and amid unparalleled excitement to 162½ from which point it fell to 130 in a few minutes on the announcement of Mr. Boutwell's intended sale of four millions—all this is fresh in the memory of our readers and will form one of the most notorious practices of this great gambling fiasco. The catastrophe had not taken place until the clique had bought, through Albert Speyers 38 millions, through Belden & Co. 30 millions, through Smith, Gould, Martin & Co. 25 millions, and through other parties 15 millions more. The whole amount was 108 millions and was bought in the space of two or three hours by a clique of desperate men whose united capital, all told, did not probably reach two millions of dollars. The example of such bold audacity was infectious. The 108 millions which the clique claim to have bought stimulated the crowd in the gold room and an aggregate of 500 millions of gold is supposed to have been bought and sold on that memorable Friday forenoon.

These are some of the facts which the gold clique have allowed to transpire. They have even been communicative enough to tell the world that on Thursday night they had gained four millions of dollars; that on Friday the operations of Smith, Gould, Martin & Co. resulted in a loss of over 3½ millions, reducing the profit of the clique from 4 millions to \$376,250 if they could successfully carry out their scheme of repudiating everybody else and carrying that firm safely through. If, however, the clique shall be compelled to stand by all their other brokers, including Speyers, Heath, Belden and others, then they stand to lose on the whole of the transaction the prodigious sum of \$13,545,000. The imagination almost refuses to credit the unparalleled boldness of the schemes which

have been here partially unfolded to our view. If the statements had not been published with a positive claim to authenticity we should not have ventured to put them on record. We do not vouch for the accuracy of the facts, but they are believed to be at least approximately true. In any case, there is abundant evidence that this clique movement, like almost every other "pool" that has at any time been organized in Wall street, has inflicted loss on its members, whatever gains outside parties may have made by it. The prodigious extent of the losses in this case will lend no small importance to the query with which we began, Who were the members of the gold clique?

GOVERNMENT PURCHASES OF BONDS.

The amount of bonds purchased by the Secretary of the Treasury and held by him under the Sinking Fund act, or subject to the future direction of Congress, has now reached the large sum of \$57,773,000. As the first purchase was made on the 12th of May, the period in which this amount has been taken off the market is only about five months.

The table given below contains the details of each purchase of bonds thus far made; showing the date, the total amount offered each time, the amount of each class of bonds accepted, and the total amount of each class now held by the Secretary of the Treasury. It has been compiled with much difficulty, from the fact that the reports published in the newspapers are frequently erroneous in some particulars, and correct results could only be obtained by comparisons and further examination.

The facts obtained from the figures below in regard to the general movement of Government Securities, are of much interest. We find that the coupon bonds of 1867 have been purchased more largely than any other class, amounting to \$14,733,650. Next come the coupon bonds of 1865 new, amounting to \$11,418,850, and next the registered issue of 1862, amounting to \$6,355,050. The coupons of 1862 show the smallest figures, the total purchased being quite insignificant.

The amount of each class of bonds held by the Secretary becomes of importance in regard to the item of accrued interest, and the additional purchases made by him to represent matured coupons; the total amount of January and July bonds, and of May and November bonds, can here be seen at a glance. It is also desirable that dealers in government securities should have a record of the amount of each issue, registered and coupon, taken off the market.

THE LESSONS OF THE CRISIS.

The late disaster in Wall street is to be prized for its lessons if not for its losses. It was the result of a speculation wholly factitious and unnatural. A ring of speculators, with large capital and equal daring, undertook to control the entire supply of gold upon the market. Their operation was not based upon any natural tendency of the premium; on the contrary, the common conviction that the price of gold must decline had induced very general sales for future delivery; and it was upon these transactions, coincident with the bent of the market, that the clique undertook to force the premium in an opposite direction. Thus the speculation was an effort to coerce the gold market against its natural direction; and to this circumstance it owes its failure and its ruinous results. The more the clique advanced the price, the more unreasonably high did it appear, and the greater became the apparent inducement to sell. Through this sort of manœuvering, the time contracts to deliver gold were swelled to an amount immensely exceeding the stock of gold upon the market. The sales were made, as we have stated, upon correct views as to the real value of gold; but the deliveries had to be made by coin to be first borrowed and ultimately purchased from the very parties to whom it had been sold; hence the clique, having the sellers, as they supposed, entirely in their power, attempted to compel them to buy in the gold from them at 20 to 30 per cent above the figures at which they had originally bought up the market supply. Had the scheme succeeded, the street would have had to purchase from thirty millions to forty millions at 20 to 30 per cent above the price at which they sold it; with the result of a transfer of about ten million into the pockets of the combination.

Such a speculation can be regarded in no other light than as the most reckless and licentious gambling; and, as such, it may be taken as an illustration of the dangers of illegitimate speculation. The sellers, while relying upon the natural course of the premium, could not but be aware of the character and power of the scheme against which they were contending; and, so far, they were as reckless as the clique. And this fact further shows how easily the spirit of wild speculation may seduce a large proportion of the brokers, including firms of respectable standing, into operations risking an enormous amount of capital upon chances just as fickle and uncertain as those of the faro bank.

The culmination of this speculation was attended with circumstances by no means creditable to the business morals of Wall street. When it was discovered that the combination had drawn the street into engagements involving enormous losses, and that the game was a heavily losing one, there was in many cases an effort to evade or directly repudiate con-

tracts ; street honor, hitherto the chief protection of Wall street dealings, being regarded as secondary to the preservation of something from the common wreck of fortunes. We do not pretend to judge whether the gambling character of the operations does not in some measure palliate these evasions of contracts ; but we do hold that it is a matter of profound humiliation and regret that houses of fair standing in the financial community, and entrusted with important transactions by the public, should be found willing to engage in operations leading to such dishonorable expedients for self-protection.

It should be learned from the experience of those two weeks that the dangers connected with excesses in speculation do not end with the mere losses on contracts. In the present case, we have witnessed a derangement in the whole machinery of Wall street. The recklessness with which dealers, within one or two hours, rushed into contracts covering many millions of gold, at immense differences of price, of necessity produced a sudden convulsion in credit operations. It was seen that many must be injured or ruined ; and the uncertainty as to who might be the losers caused an indiscriminate caution among the banks and money lenders generally, so that for a time money could hardly be borrowed upon any terms. Many of the dealers in gold being at the same time engaged in the stock business and having outstanding engagements in the Stock Exchange, the panic instantly spread to the stock market. Stocks fell to such an extent as to exhaust the margins on which they were carried and were consequently thrown upon the market in immense blocks, precipitating a further decline, and involving the weaker class of holders in ruinous losses. The extent of injury thus resulting is but very partially indicated by the failure of several prominent stock houses. Large numbers of private holders of securities have been brought to the verge of ruin, and their stock has been transferred at panic prices to the hands of a wealthier class, who are about the only parties benefited by the disaster. Operations naturally tending to these results cannot be too severely condemned. They are demoralizing and mischievous to the last extreme ; and those who engage in them cannot be expected to receive the confidence awarded to prudent men of business.

If the Wall street community cannot feel itself secure against the recurrence of these dangerous excesses, it is clear that prudent firms must recognise the necessity of protecting themselves and their customers by broader " margins " upon speculative transactions than have been hitherto accepted. In times when speculation was less rampant and fluctuations less sudden and extreme, a margin of 10 per cent might be deemed an adequate protection ; but in these days, when cliques of immense wealth undertake to make money inaccessible by " locking up " millions of cur-

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK IN JULY, 1869.

Specie in banks June 30.....	\$20,257,140
Treasure received from California by steamer.....	\$85,214
" " overland.....	673,042
Imports from foreign ports.....	201,383
Coin interest paid out.....	17,384,485
Treasury sales of gold.....	3,000,000—21,354,209
Total reported supply.....	\$41,611,349
Withdrawn for export.....	\$6,474,624
Withdrawn for customs.....	10,502,045—16,976,669
Specie in bank July 31.....	27,871,983
Total withdrawn and in bank.....	\$44,848,002
Excess of withdrawals over reported supply.....	3,237,353

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK IN AUG., 1869.

Specie in banks July 31.....	\$27,871,983
Treasure received from California by steamer.....	\$194,971
" " overland.....	398,394
Imports from foreign ports.....	159,937
Coin interest paid out.....	1,867,838
Treasury sales of gold.....	3,000,000—4,551,211
Total reported supply.....	\$32,493,144
Withdrawn for export.....	\$3,097,940
Withdrawn for customs.....	14,319,915—17,347,855
Specie in banks August 23.....	19,469,102
Total withdrawn and in banks.....	\$36,816,957
Excess of withdrawals over reported supply.....	4,393,813

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK IN SEPT., 1869.

Specie in banks August 23.....	\$19,469,102
Treasure received from California by steamer.....	\$41,974
" " overland.....	1,687,289
Imports from foreign ports.....	1,511,487
Coin interest paid out.....	4,353,838
Treasury sales of gold.....	6,000,000—13,619,088
Total reported supply.....	\$33,088,190
Withdrawn for export.....	\$1,835,170
Withdrawn for customs.....	12,514,325—14,339,495
Specie in banks October 2.....	15,902,819
Total withdrawn and in bank.....	\$30,342,314
Excess of reported supply not accounted for.....	2,845,876

RAILROAD EARNINGS FOR SEPTEMBER AND FOR TEN MONTHS FROM JAN.
1 TO OCT. 1.

By special effort in obtaining information direct from the offices of several companies, we have been able to compile our monthly statement of Railroad Earnings at a much earlier date than usual.

The general statement is quite favorable, many of the roads showing an increase over the same month of 1868, while the decrease shown on several others seems to be quite satisfactorily accounted for by temporary and special causes.

It must be remembered, in comparing the months of September and October with the same months of 1868, that the earnings in those months last year were very large; the grain crop was hurried forward at the

West with great urgency, and some of the Western roads doubled their receipts during that period, but fell off again quite as suddenly in November. The prospect for permanent heavy traffic on the principal lines of railway at the West was never better than now; the crops are large and the country in good condition, with an immigration of settlers which is developing the lands adjacent to railroad lines with wonderful rapidity.

In the case of Milwaukee and St. Paul Road, which shows a considerable decrease in earnings for the month, the falling off is fully accounted for by the circumstance that spring wheat moved to market quite three weeks later this year than last; a million bushels more of wheat were shipped over the road in September, 1868, than in the same month this year. Wheat is now coming forward freely, and the earnings of the last week in September were very large.

The consolidated lines of the Lake Shore and Michigan Southern Railway from Buffalo to Chicago show a fair increase in earnings, and it will be noticed that this is now among the few lines whose figures for the month exceed a million dollars.

In the table below we give the earnings for the past ten months of the year, in which it will be observed that all the roads show an increase, with a single exception.

Two companies are omitted from this statement, no comparison for the year being possible.

EARNINGS FROM JANUARY 1 TO SEPTEMBER 30.

	1869.	1868.	Inc.	Dec.
Chicago and Alton.....	\$3,463,286	\$2,233,626	\$329,660	....
Chicago & Northwestern	9,939,433	9,713,836	276,047	....
Chicago, Rock Island & Pacific	3,830,309	3,356,330	474,079	....
Illinois Central.....	6,134,732	5,539,111	595,611	....
Marietta & Cincinnati.....	1,017,305	932,471	94,834	....
Michigan Central.....	3,435,490	3,256,498	178,932	....
Milwaukee & St. Paul.....	4,812,216	4,454,335	357,881	....
Ohio & Mississippi.....	2,034,576	2,163,213	....	128,637
St. Louis, Alton & Terre Haute.....	1,450,969	1,381,510	69,459	....
Toledo, Wabash & Western.....	3,107,050	2,860,589	246,461	....
Total.....	\$39,275,296	\$36,881,019	\$2,522,914	\$128,637

EARNINGS FOR SEPTEMBER.

	1869.	1868.	Inc.	Dec.
Chicago & Alton.....	\$501,253	\$436,196	\$15,063	\$....
Chicago & Northwestern	1,321,189	1,518,483	....	197,244
Chicago, Rock Island & Pacific	579,060	553,386	20,514	....
Cleveland, Col., Cinn & Indianapolis.....	327,801	237,451	40,350	....
Illinois Central.....	915,020	889,966	25,054	....
Lake Shore & Michigan Southern.....	1,239,725	1,207,496	32,229	....
Marietta & Cincinnati.....	149,473	121,519	18,054	....
Michigan Central.....	473,546	456,974	16,572	....
Milwaukee & St. Paul.....	724,514	1,024,045	....	299,531
Ohio & Mississippi.....	292,803	307,123	....	14,319
St. Louis, Alton & Terre Haute	200,190	196,436	3,094	....
Toledo, Wabash & Western.....	470,730	450,303	20,517	....
	\$7,196,129	\$7,504,977	\$193,046	\$511,194

RAILROAD CASUALTIES.

The lately published report of the State Engineer and Surveyor for the year 1868, contains many interesting facts concerning the railroad system of New York and its practical management by the companies controlling the various lines throughout the State. Among these the statistics of accidents resulting in the killing and wounding of passengers and others, are worthy of especial attention. For the year ending Sept. 30th, 1868, the Erie Railway carried 2,194,348 passengers. The number of miles run by passenger trains was 2,471,594, and the average rate of speed per hour was 26 miles for ordinary trains and 30 for express trains. The length of the road, including branches, is 821 miles. During the year 29 passengers were killed and 86 injured on this road, the greater part of whom were the victims of the memorable disaster at Carr's Rock, on the 14th of April, 1868. The New York Central during the same period carried 3,679,150 passengers; its passenger trains running an aggregate of 1,990,150 miles, at an average speed of $30\frac{1}{2}$ miles per hour. The length of the road is 297.75 miles. During the year no passengers were killed, and only six injured. On the Hudson River Road during the year the number of miles run by passenger trains was 805,628, and the average speed $31\frac{1}{2}$ miles per hour. This road is 144 miles long, and has double tracks for the entire distance. Of the 2,129,288 passengers carried, none were killed and only five injured. The New York and New Haven Railroad carried during the same period 2,192,939 persons, running 657,897 passenger trains, at an average speed of $31\frac{1}{2}$ miles an hour. This road is 62 $\frac{1}{2}$ miles long. During the year no passengers were killed, and but three injured. On the Rome, Watertown and Ogdensburg and the New York and Harlem roads, carrying respectively 497,333 and 1,667,578 passengers, none were killed or injured during the year. These figures show that the main lines of the State are well and carefully managed. Leaving out the Erie Road, on which 26 were killed and 72 injured by the one unfortunate accident before mentioned, the returns show that on four other roads above named but one passenger was injured for every 316,000 miles run. Counting in the Erie, the ratio is one killed for every 194,871 miles, and one injured for every 58,252 miles traveled by passenger trains during the year.

Considering the extent of the business done on our principal roads, and the average speed at which trains are run on them, the number of killed and wounded is comparatively small. Unfortunately, however, this cannot be said of American roads in general. Scarcely a day passes without the telegraph bringing information of one or more accidents, more or less serious in their consequences, that have occurred during the preceding

twenty-four hours. Not long since we noticed seven of these announcements, reporting the violent death or severe injury of fifteen persons in all, in one issue of the daily journals of this city. So frequent, indeed, are these so-called "accidents" that, unless the attendant circumstances are peculiarly aggravated, or the list of killed and wounded exceptionally large, they seldom attract more than a passing notice outside of the neighborhood where they occur. The statistics of railway casualties show that, during a period of fifteen years from 1853 to 1868, inclusive, the number killed on the railroads of the United States was 2,953, and the number wounded 10,500. When to this aggregate we add the number of casualties occurring this year, it will be seen that railroad travel in this country is dangerous in the extreme.

Clearly, there is something wrong in the system of management adopted on most of the roads in the United States that should be promptly and effectually remedied. Such frightful tables of mortality are unheard of throughout Europe. It is stated that during a period of nearly four years but three accidents have occurred on European railways, resulting in injury to the persons or property of passengers; and in each of these instances the causes were practically beyond the control of those responsible for the management of the roads on which they happened. Supposing our railroads to be well built and properly equipped, as a due regard to the safety of passengers requires they should be, it is evident that the greater degree of danger attending railroad travel in the United States than in Europe is mainly attributable to the want of a proper system of management. Experience has shown that travel by rail can be made both safe and expeditious, as it is in Europe at the present time; and this is accomplished by very simple expedients.

First and foremost, perhaps, is the fact that the managers of all public works in Europe are held to a stricter accountability by the government, as well as by public opinion, than they ever have been in this country. This is seen in many ways. In the matter of punctuality alone, the contrast between the operations of European and American roads is marked and striking. Every trip is made with unfailing regularity according to the tables, in consequence of which no time is lost by delays to be made up, as too often happens in this country, by sudden dashes of extraordinary and dangerous speed. So great is the vigilance exercised that it is known, at any moment, precisely where a train is; and no train is allowed to start out on a venture, without its being certain whether the way is clear or not. As the tracks are always double, direct collisions are impossible, and as the position and movements of every train are known, obstructions are always removed in time to leave a clear track for passenger trains. No doubt the principles of this system

of management are nominally adopted on every American railroad; but the want of greater vigilance in the observance of rules and regulations, on the part of engineers and conductors, and the willingness to take risks which, even if unsuccessful and disastrous, will be allowed to pass unpunished, have led to most of the accidents occurring on our roads.

Another reason for the greater safety of railway travel is the careful police of every part of the roads. Experienced and trustworthy watchmen are stationed at frequent intervals along the road, whose duty it is to see that the section of track under their charge is safe and free from obstruction. In this important particular the management of most American roads is essentially defective. Not long since an accident occurred on the Pennsylvania Central, killing two men, seriously injuring a number of others, and destroying much valuable property. The cause of the disaster was a huge fragment of rock that had fallen on the track, and remained there undiscovered until the train was wrecked on it. In Europe such an accident never has and never could happen. Every foot of road is there inspected before and after the passage of each train, and the engineers are never out of sight of one of these vigilant watchmen for a longer time than two or three minutes. Consequently we never hear of stray cattle, fallen rocks or other obstructions in the way of passing trains, no one tampers with the rails or misplaces the switches, nor are draws left open, or culverts, bridges or embankments washed away, without the fact being known in time to prevent accident. In the United States there are thousands of miles of railroad that are not carefully policed oftener than once a week, if as often; and it is only a wonder that on these long stretches of neglected track accidents are not of more frequent occurrence. The cost of maintaining a large force of intelligent and experienced men as watchmen is unquestionably great; but we have no doubt that the amount thus saved in the prevention of needless and costly accidents on American roads would more than cover the expense thus incurred by the companies.

When an accident, however slight, occurs on any of the railways throughout Europe, a thorough and searching investigation is at once instituted by the public authorities, as well as by the officers of the company on whose line it happens, and when carelessness or negligence is proved, the guilty officials are punished. On one of the French railroads the misplacement of a switch, which turned the train from its proper course, was followed by the sentence of the switch-man to a heavy fine and term of imprisonment, although no one was seriously injured. In another case a division superintendent was sentenced to three years' imprisonment for the delay of a train, resulting in a collision by which one passenger was killed and others wounded. In this country the heaviest

penalty awarded for such offences would be dismissal from the employ of the company—although such a disgrace would not prevent the guilty person from engaging elsewhere in the same position. Or, perhaps, a coroner's jury will be empaneled to take evidence, and the result will be a vote of censure. An illustration is seen in the case of Griffin, the Erie engineer, whose carelessness caused the recent disaster at Mast Hope, and who was lately acquitted after a formal trial, in which his guilt was clearly proved by the evidence adduced. Pecuniary damages are sometimes awarded to a few of the principal sufferers, who can afford to sue the companies, but beyond this nothing is ever done and the matter is quickly forgotten.

We do not expect too much of the railroad companies. It is unreasonable to demand that railroad travel shall be attended with no risk; but it cannot be denied that it may be made far safer than it now or ever has been in the United States. The fact that, with but few exceptions, accidents are prevented in Europe, and that in these cases somebody can be held responsible and punished accordingly, shows that with a system of management equally perfect in all its details, the number of casualties occurring on American Railroads might at least be greatly reduced.

THE LOUISVILLE CONVENTION.

Before the war, Southern Commercial Conventions were common enough. There was, however, much of fretfulness and dissatisfaction in them, and they were most emphatically sectional. Since the war, this has all changed, several commercial conventions having been held at the South, but in each there has been manifest far more of a national spirit than had animated their predecessors. The last great gathering was at Louisville, Ky., on the 13th inst., to which delegates appeared from 29 States. Of the whole number, (more than 520 in all,) 277 were from Southern States, 107 from Western, and 32 from the Eastern and Middle States. The Convention had for its presiding officer Ex-President Fillmore, and on the roll of its delegates were many prominent merchants and representative men of business from the various States from which delegates appeared. There was manifest a generous patriotism, a comprehensive public spirit, a forbearing disposition and an intelligent view of the great cereals of the country in the development of its resources, so that all sections should be benefited. If local or sectional ideas obtruded themselves, or if politics appeared, these opinions were checked or modified, and the action taken was for the good of all.

In arranging the business of the Convention, committees were appointed, and reports were made on the following subjects:

1. On Southern Pacific Railroad.
2. On Railroads in General.
3. On Direct Trade with Europe.
4. On Immigration.
5. On Finance and Banking.
6. On Manufactures and Mining.
7. On the Mississippi Levees and Improvements.
8. On the Tennessee river and its Improvements.
9. On River Navigation, Canals and other Improvements.
10. On Agriculture.
11. On continuous Water Communication between the Mississippi river and the Atlantic seaboard.
12. On the removal of obstructions to a cheap and easy outlet through the Mississippi into the Gulf.
13. On Miscellaneous Business.

With regard to the Southern Pacific Railroad there were three reports, one from a committee of the late convention at Memphis, and a majority and minority report from the committee appointed by the present convention. A vast array of statistics was given, and the whole subject was reviewed at great length. The conflicting views related chiefly to the termini of the road, and to the parallel of latitude in which it should be constructed; but the route finally determined upon was on the 32d parallel, leaving to the legislation of Congress the terminus on the Mississippi river. Closely allied to this question was a discussion of the influence of this railroad in inducing immigration, in opening new markets and in putting an end to the difficulties with the Indians. The resolution embodying the views of the convention upon this point was as follows:

Resolved. That this convention memorialize Congress to grant the right of way and such subsidies as may seem just to a Southern Pacific railroad from San Diego, Cal., via the junction of the rivers Colorado and Gila, along the valley of the Gila, and south of the same to El Paso, on the Rio Grande, and thence to a convenient point near the 32d parallel of north latitude east of the Brazos or near that river in the State of Texas; to which main trunk feeder-roads may be built from Leavenworth, St. Louis, Kansas City, Cairo, Vicksburg, Memphis, New Orleans and Galveston on the east, and Guaymas, Mazatlan and San Francisco on the west, and such other roads on the east or west as may be desired, with equal right of connection to all.

The second subject in the order of business was "Railroads in General." The committee wisely refrained from specifying local objects. They recommended co-operation in railroad management, the remedy of breaks and obstructions in railway lines, the connection of tracks and uniformity of gauge. In their resolutions they urge the building of railroads to the Gulf ports, in order to make an outlet for produce which seeks a market in the West Indies, in Mexico and South America, and they advocated

the system of low fares to persons intending a settlement. They also recommended the construction of the Northern Pacific Railroad.

"Direct trade with Europe" was the third subject which engaged the time of the Convention, we have not the space to give any portion of the interesting discussion upon this point. The Committee recommend the organization of steamship lines between this country and Europe, and the subsidizing of the lines by Congress. They ask for a modification of the navigation laws so that Americans may purchase foreign ships; they demand the abolition of the tariff on shipbuilding material, and they ask Congress to declare ports of entry all cities in the West and South which have a population of 100,000 and upward.

The general subject of "Immigration" attracted much attention and elicited a spirited debate. The convention favored the introduction of a million Europeans, and a comprehensive plan of enlightening Europe upon the advantages of the region below 36° 30', and of making known the climatic conditions and industrial resources was reported. As the General Agent in this matter M. F. Maury was recommended. Chinese immigration provoked a marked dissonance of opinion. It was concluded to leave that matter to the States and to private interests. The debate on this question was mainly confined to Southern delegates, and considering the fact that the Convention at Memphis was so decidedly in favor of Asiatic labor, the result reached here shows perhaps not so much a change in Southern sentiment as it does the general discussion of the subject and the expression of hostile views by men who were not members of the Memphis Convention, but who have reviewed its action.

On the subject of "Banking and Finance" the Committee made the following report, the recommendations of which it will be seen, coincide in the main with the views and plans expressed and proposed by Senator Sumner:

1. The wealth of a country consists in the net value of its productions, and all financial measures must be determined in the light of this fact.

2. Currency is not a product of a country, and is not property, but only a medium to facilitate the exchange of property.

3. Currency values of property and an irredeemable currency regulate themselves by each other, so that except temporarily, the amount of irredeemable currency in circulation in no manner regulates the ease of the money market, or influences the rate of interest.

4. An irredeemable currency retards production by the fact that it measures the value of property so unsteadily as to destroy confidence. It prostrates industry, unsettles society, and should be and can be banished from the nation's exchanges; therefore

Resolved, That Congress be requested to enact at once:

1. A free banking law, with efficient and certain measures for prompt redemption of currency, with a proviso that currency is to be issued only as fast as legal tender notes are redeemed and destroyed until specie payments are resumed.

2. Direct the Secretary of the Treasury to cancel and destroy all legal tender notes that come in his possession as fast as the net income of the Government will

allow. In case national bank currency is applied for faster than it can be furnished under the conditions heretated, preference to be given first to the South and second to the West, until the whole currency in circulation be equalized upon the basis of population.

3. Direct the Secretary of the Treasury to regulate all his actions by the wants and necessities of the Government, and leave the people to manage their money markets and their business in their own way.

The proceedings of a meeting of Southern gentlemen held in Washington in July were submitted to the Convention. These gentlemen proposed to planters to sell their products for gold only, and asked for the establishment of banks under State laws on a gold-coin basis. In regard to taxation the Convention asked for a repeal of the law of 1801, providing for a Direct Land Tax. The tax, they allege, is not imperatively needed by the Government, and its collection would fall heavily upon the South. In the North and West the tax was collected at the time, but the condition of affairs at the South required it to stand over until after the war. On the subject of revenue the Committee recommend the modification of the tariff. They also said that "the present system of Internal Revenue taxation should be simplified so that the revenue shall be derived from a few sources, and those such as tax the follies, extravagancies, and vices of the people, rather than the honest industry of the country. They recommend that the Internal Revenue should be collected from taxes upon the following articles: Licenses, stamps, tobacco, liquors distilled spirits, and from land sales, fines, and forfeitures."

From these sources they anticipate a revenue of \$100,000, a sum deemed more than sufficient to meet the expenses of the Government to pay the interest on the debt and to provide a sinking fund of one per cent, which, in thirty years, would liquidate the debt.

The Committee on the "Mississippi Levees" favored the construction of these works on a general plan to be inaugurated by the Federal Government. It was remarked that under the former system of labor the planter had often scores or even hundreds of hands whom he at once could set to work if occasion occurred, but that now no such force was at his disposal.

A report was also made in favor of the improvement of the Tennessee river, the removal of obstructions from the Mississippi, and such a regulation of bridges as will secure navigation from needless obstruction, and at the same time afford reasonable facility for railroad and other traffic across these streams.

The report on continuous Water Communication between the Mississippi River and the seaboard was in the interest of what is called the "Central Water line," through Virginia. But that part of the report was modified and altered and no State interest was especially commend-

ed. The Convention, however, was decidedly and with good reason in favor of cheap transportation so as to bring the products of the West into safe competition with production elsewhere in the governing markets of the world.

The twelfth subject in the order of business above given, was treated of by a Committee "on Harbors, Channels and Bars of the Atlantic and Pacific Coasts." They offered the following preamble and resolutions which were adopted:

WHEREAS, All the harbors and bars and navigable waters of the Gulf and Atlantic coast belong properly to the United States, by purchase of Louisiana and Florida from Spain, and by the articles of annexation of Texas; and by treaty with the mother country; and whereas, the development of the industry and creation of trade over the countries, States, and Territories are dependent upon these harbors and bars; therefore be it resolved,

1. That it is the duty of the Government of the United States to protect and improve these bars and harbors to an extent indicated by the present and prospective trade of the same.

2. That in consideration of the foregoing premises, and the reasons assigned for the same in the accompanying report, this Convention does recommend to the Government's fostering care and improvement, the bars and harbors at the ports of Wilmington and Savannah; Mobile Bay, at Atchafalaya Bay, at the Sabine Pass, at Galveston Bay, at the mouth of the Brazos River, at Pass Cayallo and at Pass Aransas.

This concludes a general review of the action of this Convention, which adjourned to meet next year at Cincinnati. It was as we have said, harmonious, and though it is without power, yet its recommendations, as the mature thought of men of business, are worthy of careful study and consideration. They have at least the merit of directness and they are designed to develop the resources and advance the prosperity of the country. The Convention brought men of all parts of the Union together and so far effected an exchange of ideas which cannot fail to be beneficial. On some of the subjects discussed we shall have occasion to speak hereafter.

REDUCTION OF TAXATION.

A strong effort is to be made in the next session of Congress to obtain a remission of a part of the Internal Revenue taxation. There is no doubt that a part of the depression and languor which afflicts the material interests of the country and impairs its productive power, is due to the pressure of ill-advised and unwisely laid taxes. In consequence of the vigor and fidelity with which the Internal Revenue Law has been administered we have a surplus of fifty millions or more in the Federal Treasury. It is the pressure of this excess of income on expenditure that has given new impetus to the question of remitting the taxes, and has made it possible to give a favorable answer to the demand. In a few weeks Congress will assemble, and

it is well to look over the whole case and to lay down some general principles by which we can guide ourselves to a right decision of some, at least, of the important points involved.

And in the first place, taxes cannot be allowed to remain as they are. The people will not submit to the pressure of heavier taxation than is needful to pay the interest of the debt and the expenses of an economical administration of the government. Were the material interests of the country vigorous and unimpaired, and had not their prosperity been deranged by the unprecedented monetary spasms of the last six months, it might be practicable to keep up the present scale of taxation, so as to secure a handsome annual surplus to be devoted to the reduction of the principal of the debt. Desirable as that policy might be, however, it has to be made subordinate for the present to the paramount obligation of preserving the material prosperity of the country and of preventing an impoverishment of the national wealth and productive efficiency. Whenever we turn it is evident that legitimate commerce and trade are less profitable than formerly. Complaints are general that small capitalists feel it almost impossible to carry on their business and to stand up against the fierce competition which they have to sustain with the more ample capital of others around them. There is evidently a great change in progress in this respect. Formerly the small capitalists in this country seemed to have almost equal facilities in every department of business with men of larger means; but the tide of events now is settling rapidly in the opposite direction, and there is more and more tendency to accumulate capital in large masses. We have several times pointed out in the *MAGAZINE* the inevitable result, as one of the effects of paper currency and of the inflated and unstable value which never fail to be developed where the specie standard monetary equilibrium is lost. The same law which we have shown to rule in Wall street is growing every year more pervasive in its force, and more general in its sway, until it embraces almost all departments of our industrial life. These tendencies are well worthy of more attention than they have received from our financial statesmen. It would be easy to show that our internal revenue taxation has contributed not a little to increase the disadvantages of small capitalists, and to facilitate their absorption by their more opulent rivals. This discussion is, however, foreign to our present purpose, which is simply to point out one of the directions in which our tax-reform machinery should operate. Whatever taxes tend to clog our internal industry, to fetter the productive powers of the country, to give large capitalists undue advantages over small capitalists, to check the operation of our producers, and to hinder the free circulation of our industrial wealth—all such taxes should be forthwith repealed as pernicious. This principle applies of course, in the first place and most directly, to our

internal taxation, both that levied on manufacturing industry, and especially on the product of skilled labor. One of the chief points of the fiscal policy of any nation should be to unfetter industry, and as far as possible to guard against all interference on the part of revenue officials with the processes by which the labor of its population imparts new values to the rude materials of wealth.

These fundamental principles of taxation are universally admitted in theory. But the difficulty is, that in practice nothing is so difficult as their wise application. Still the attempt has to be made. Congress will have the agreeable task of taking off some fifty millions of taxes, and what we have to do is to decide which are the most galling, the most mischievous, the most obnoxious to just objection, the most opposed to the true principles of fiscal science, the most detrimental to the best interests of the country.

We do not design in this place to give an exhaustive statement of what Congress ought to do in revising the internal revenue tax list. We content ourselves with simply laying down the paramount principles which must be obeyed and pointing out the general direction of the path which Congress will do well to take. The details of the tax reform will come up for frequent discussion hereafter. For if we mistake not, fiscal questions are destined to assume a prominence before Congress greater than has ever been accorded to them before in this country.

Whatever difference of opinion may be provoked with regard to the taxes to be taken off and repealed about those to be left standing, there is we presume little doubt. There are the taxes on spirits, on tobacco, on stamps, and for a time we fear the income tax. With these honestly assessed and faithfully collected, we should probably be able to repeal almost all the rest of our internal taxation and thus relieve our domestic producers from a weight which is felt to be oppressive and may soon become almost intolerable.

LIABILITY OF RAILROADS FOR TAKING EXTRA FARE.

A decision has been recently made by the Hon. Charles P. Kirkland, as referee in the case of *Philo Johnson vs. The Hudson River Railroad Company*, a correct understanding of which is of great importance to the different railroad companies of the State. The case will, of course, be carried up from the referee's decision and passed upon finally by the Court of Appeals, and may be reversed; but yet it seems to us hardly probable, after studying the opinion, that any change will be made in the judgment by the higher courts. In fact, the referee stated that

he had given the subject the most careful consideration, and earnestly endeavored to find a way of escape for the company from the payment of a sum so large in amount and apparently so disproportioned to their offence, but adds that he was unable to discover that way.

It appears that by the 17th section of the charter of the Hudson River Railroad the company is restricted in its charges for way travel to two and one-half cents per mile in the winter, and two cents during the residue of the year. By an act passed February 5, 1850, the word "winter" was stricken out of this section, and the words "December, January, February and March" were substituted. By chapter 185 of the Laws of 1857 the defendants and all railroad companies were authorized, for any distance less than one mile, to take the legal fare for one mile. The distance from Spuyten Duyvil to the railroad station at West Twenty-ninth street was over ten miles, but less than eleven. Thus, by the above acts, the railroad company was authorized to charge and receive of the plaintiff for his fare between those two points $27\frac{1}{2}$ cents in December, January, February and March, and 22 cents in the other months of the year. They actually charged and received 30 cents during the four months above mentioned, and 25 cents during other months. In 1857 the Legislature passed an act (chapter 185) entitled "An Act to Prevent Extortion by Railroad Companies," which provides that "any railroad company which shall ask and receive a greater rate of fare than is allowed by law shall forfeit \$50, which sum may be recovered, together with such excess, by the party paying the same." Between the 10th day of May, 1865, and the 9th of May, 1866, both inclusive, the plaintiff was a passenger on the Hudson River Railroad between Spuyten Duyvil and New York 526 times, in going in the morning from his residence and returning in the evening; and the railroad asked and received of the plaintiff each of said times excessive fare, as above stated. On these facts the referee found that the entire amount overcharged to plaintiff on the winter trips amounted to \$3 54, and on the summer trips \$11 47, making in all the sum of \$15 01 overcharged him during the year; that for each of these overcharges the defendant was liable in a fine of \$50, to be paid the plaintiff according to the statute; and therefore rendered a judgment against the railroad company for \$26,315.

To this conclusion of the referee the railroad company took exception, first, on the ground that under the General Railroad Act of 1850 they were entitled to charge the plaintiff the fare they did charge, section 49 of that act authorizing, as they claimed, all railroad corporations, as well those existing on the 2d day of April, 1850, as those afterward formed, to charge three cents per mile, and no more; in other words, that it fixed a uniform rate of three cents for all. Necessarily, if this position is cor-

rect, all existing railroads whose fares were less than three cents could raise them to that sum, and all whose fares were more must reduce them accordingly.

There were then more than fifty railroad corporations in this State ; many of the roads completed and in operation, and others in process of construction and near completion ; many millions of capital had been invested in them, and they extended over many hundreds, if not thousands, of miles in the State. Provision as to fare was made in all their charters ; in some the rate was not limited, but in others, the rate was fixed, as in the Lockport and Niagara Road, at 4 cents ; Oswego and Syracuse, at 5 cents ; Utica and Schenectady at 4 cents ; Buffalo and Niagara Falls at 4 cents ; Auburn and Syracuse at 4 cents ; Syracuse and Utica at 4 cents ; Troy and Schenectady, 6 cents ; (Northern Ogdensburg to Rouse's Point) at 4 cents, etc. In fact, the time of the passage of that Act, the Hudson River Railroad Company was the only Company in the State whose fare was limited to less than 3 cents. It follows, therefore, that if, by the Act of 1850, the defendants' rate of fare was raised to three cents, then the fare of all railroads, at that time entitled to 4, 5, and 6 cents, was, by the same Act, reduced to 3 cents. While the power of the Legislature thus to raise and to reduce cannot be disputed, it will not be denied that their intention to do the latter, at least in the case of those railroads (and there were many of them) which were at that moment, in a financial sense, almost in their death struggles, must be manifested in a most clear, decisive, and unmistakable manner, and not left to ingenious verbal construction.

Such being the contemporary existing facts, let us, in the light they afford, examine the provisions of the Act itself.

The title of the Act is, as stated above, "An Act to authorize the formation of Railroad Corporations, and to regulate the same." Its object and intent was to create new railroad companies and adopt a general system for them. Whatever parts relate to existing railroads formed no part of the primary object of the Act, and such parts being comparatively incidental, must, on general principles of construction, be carefully scrutinized, and not extended beyond their plain and manifest purport. The section relied on to show that the Act, so far as it relates to fare, applies to all existing companies, and fixes a uniform rate of 3 cents, which cannot be exceeded, is the 49th ; the only part of the Act relating to fare is the 9th subdivision of § 28, which provides that "the compensation for any passenger shall not exceed three cents per mile." The first sentence of § 49 declares that all existing railroad corporations "shall possess all the powers and privileges contained in the Act, and be subject to all the duties, liabilities, and provisions, not inconsistent

with the provisions of their charter, contained in sections 9, 13, 14, etc., 28 (except sub. 9), 30, etc., etc." Here we see that subdivision 9 of section 28, the only part of the Act in any manner affecting the rate of fare, is expressly excepted from the operation of § 49. How, then, can it even plausibly be contended that that subdivision invests the Hudson River Road with power to raise their fare, in some cases 20 per cent, in others 50 per cent, and in others 45 per cent?

The Company's defense is not aided by the U. S. Rev. Acts, authorizing railroad companies to add the tax to the fare. The amount of tax authorized being two and one-half per cent on the gross receipts, if added to the defendants' charter fare, would not have amounted to the fare charged plaintiff. It would have added less than one cent to each sum paid by plaintiff. It has been held by the New York Common Pleas that this Act was inoperative on the ground that it was incapable of enforcement, there being no currency in which the tax, if it did not amount to one cent, could be paid. This difficulty was remedied by an Act of Congress of July, 1866; this act was subsequent to this transaction.

Other points were discussed on the argument and in the opinion of the referee, but it is unnecessary for us to refer to them here. The above presents the main question raised and the mode of its disposal. The decision is of great interest to all roads in the State, showing, as it does, the liability to which they subject themselves by each excessive charge for fare. It is proper to add, that so far as the Hudson River Road is concerned, its excessive charge for fare was corrected about the time this suit was brought, and that all other claims for the penalty on account of the illegal rates of that period demanded and taken are now barred by the Statute of Limitations.

BUSINESS CHANGES AT THE SOUTH—THE PAST AND FUTURE.

As one result of the political, social and commercial revolution which has passed over the Southern States, there is a marked change in the method of doing business. Formerly the proprietors of large estates made purchases for the multitudes of hands whom they employed. The planter was a sort of small jobber, or large retail dealer who provided for those dependent upon him everything they needed in the way of clothing, food, shoes, medicines, &c., &c. He purchased his supplies in large quantities, both of domestic and imported goods, buying either of the dealer in the large cities or of the merchant of his neighborhood, who kept in store a large stock. With the changes effected by the war came

a change here. The planter no longer had hundreds dependent on him. He had to make purchases only for himself and family. His former slaves became grouped in families, and family self-dependence began. Each was the purchaser of what he needed or desired. He supplied his own wants. Forthwith there sprang up a host of small shops in the South, managed by ignorant and incompetent men, who soon failed and went out of business. The old dealers grew stronger from month to month and enlarged their business. They drew around them a new class of customers. The negroes on their small holdings produced such crops as they could, and with the proceeds purchased goods. It was no longer dealing by wholesale. The small tools of the farm and garden, the iron and tin ware and crockery for houses, harness for animals, shoes, clothing, groceries; in fine all the varied wants and needs of an agricultural community became matters of individual and separate interest to the whole people, and a new phase came over Southern trade.

The minor villages, the corners and cross roads, buyers from which were heretofore unknown in Northern markets, familiar as they were in Southern centres like Mobile, Savannah, Macon, Charleston, &c., &c., now deal directly with the North; and there has also grown up a wider and more general system of commercial traveling than has ever before prevailed at the South. These travelers go from New York and Philadelphia, and from the manufacturing towns, and solicit direct trade with those with whom business was formerly done by the intervention of the Southern jobber or merchant.

So too the general business of the South, which was small at the end of the war, has steadily increased, and is assuming large dimensions, while it is in a more healthy condition than ever before. The merchants come North this season with cash or requiring very short credits, while the vastly increased number of independent "customers" in the Southern States enhances the demand for goods both in quantity and variety. At the same time the demand for the finest class of goods is increasing. The new wants and methods of trade are the direct outgrowth of the new system of labor.

This changed business at the South requires for its transaction an increased volume of currency. Business transactions are more numerous, and the interchange of commodities being more active, a large quantity of circulation is requisite to keep pace with the accelerated rate of the community. There is a change also in the method of moving the crops. Formerly, the factor who took the product of a great plantation working one or two hundred hands, made advances on this crop. The merchant also made advances. Now the same quantity of cotton is raised by a score or more of men, with each of whom a proportionate credit

is created at the factor's or the merchant's. The negro comes in also as a proprietor, and he has his four bales or his twenty bales to sell. The community is raising its own food far more than formerly, hence there is a renewed activity in domestic exchanges, and the cotton which formerly went for the purchase of grain and wheat now is a surplus, to be sold for cash. In this way too is the condition of the South improved and its prosperity placed on broader and firmer foundations.

The large cities of the West are making an effort to extend their trade with the South, and every fresh railroad built is a new means of securing a foothold there. There is a value and a certainty to the Southern crop which makes the promise of a sure and stable business, and none are keener to discover new relations than the business men who are to take advantage of them. There is an evident disposition, and one strongly developed in the South, to institute a system of manufactures. They have water power, and they propose to utilize it. They have iron and coal, and they can utilize them. They have cotton, why should they not spin it? There is a climate and a soil favorable to a most diversified industry, and there is no reason, not easily overcome, why they should not have the busy centres which are so frequently met with in other portions of the Union. If population is needed, that will come when enterprise is rewarded and labor is well paid. If capital is needed, that will flow in where it may confidently hope for profitable investment. Whatever may happen, the future can be but prosperous and bright. The cotton crop of 2,493,000 bales has a valuation of \$280,000,000. To this may be added the value of rice and tobacco, and sugar and corn, and the very large sum that is realized in the production of the minor crops which now form an important element in Southern agriculture.

A recent writer in a Mobile paper suggests that the cotton crop should be kept at its present dimensions in order that the present high price may rule. He therefore discourages emigration and any means by which the volume of labor would be increased. The fallacy herein suggested finds no favor among the thinking classes at the South, which shows a disposition to produce to its utmost possible limit. Scarcity cannot be organized, nor should it be, so long as any man is without clothing or food or a roof to shelter him. Increased and cheapened production must be the rule in every enlightened community. It is the only path to general comfort, happiness and wealth.

The conclusion briefly stated of these remarks is, that the South is growing stronger and richer every year; that it offers such a market as it has never done before; that manufactures are to be instituted there; that the changed course of business demands an increase of currency and a new method of dealing on the part of the great commercial centres,

and that in the new development of so large and populous and important a portion of the Union, the whole country will find its prosperity expanded, quickened and assured.

A FOREIGN LOAN.

Mr. C. S. P. Bowles, a prominent American banker, of Paris, has written to the Secretary of the Treasury, with the object of reviving, in a somewhat new form, the defunct scheme of a foreign loan. He proposes to us to issue a new series of 4 per cent non-taxable bonds, the interest on which shall be payable in London, Paris, or New York, at the option of the holder. These bonds, he thinks, can be negotiated at par, if, before we negotiate them, we pay off our matured Five-Twenties in gold. The National banks, he says, would at once accept the new bonds, and receive four per cent instead of six per cent as at present. In this Mr. Bowles is right. The banks are creations of the Government, and may be compelled to accede to this proposition by a law passed for that purpose. Indeed, there are a large number of the friends of the National banks who are of opinion that the banks ought to receive no more than four per cent on such bonds as they deposit as security for their currency. One-half of the profits of the currency-issuing privilege ought, they claim, to be the property of the Government. Our National banking system is a great benefit to the country, and offers advantages to the country far superior to any ever enjoyed under the old system of State banking, under which many millions were lost every year by uncurrent money, broken banks, and other incidents of the exploded system. Still the benefits of the National banks may be purchased at too high a price, and the banks, it is urged, should be content to receive four per cent interest, instead of six per cent on their bonds. This project has often been proposed, and there is nothing new in Mr. Bowles' version of it. Nor, indeed, has it anything to do with his proposed foreign loan.

The principles on which Mr. Bowles rests his scheme are two; first, that Europe is the reservoir of capital and secondly, that we can draw from that reservoir, presenting our own terms and fixing our own rate of interest. He points to the great French loans to show how abundant money is in Europe, and he asks us why, with the credit of this great country, we should not get in Paris and London as much money as we want, at a low rate of interest. We could do this, he says, and save immensely in annual interest by the doing of it. The new Tri-currency Consols, which he proposes to issue at 4 per cent, would take the place of the existing 6 per cent Five-Twenties, and he supposes that the holders of

the latter would be glad to make the exchange. These are the essential features of his plan, which does not much differ, as will be seen, from other schemes for foreign loans, of which a number are always proposed at every session of Congress. What Mr. Bowles fails to show is by what magic he will induce persons, who can buy our 6 per cent bonds at 90 or lower, to give 100 for bonds having only four per cent interest. It is true, he says that our credit will receive an impulse if we pay off the principal of our bonds immediately in gold. But suppose this were so. how are we to get the means to pay off these old Five-Twenties? Must we not get these means by the sale of the new bonds? And must not the new bonds be sold before the old ones can be redeemed? How, then, can the new bonds be sold at the enhanced price? The advance which would be produced by their payment might benefit a clique of speculators, but it would be at an advance loss to our National Treasury, if any such scheme should be tried and the scheme itself must inevitably be abortive. But this is not all. Can Mr. Bowles really think, on reflection for a moment, that our credit would be permanently raised abroad if we could, by some unanceuvering, adopt his scheme? What are the facts? We find our annual interest too heavy a burden to be easily borne. To reduce the burden by one-third we pay off our whole debt in gold, and pay it off with borrowed money. By this payment with borrowed money we are to be enabled so to improve our credit that we can borrow at four per cent when we previously had to pay six per cent. Mr. Bowles proposes to raise 1,200 millions for us at four per cent, that, with its proceeds, we may pay off 1,200 millions of debt now at six per cent. Supposing, we say, that the substitution were to be attempted, who does not see that the effect of it would be to lower our credit rather than to raise it? For whatever deranges and disturbs large masses of bonds, always tends to depress them in the market, and to unsettle their value as investments. If Mr. Bowles had been more conversant with Wall street, and with the ingenious schemes for funding our national debt which have been discussed there during the last seven or eight years, he would not be so surprised as he seems to be that his own schemes has found so little favor. As to this writer's statements that Europe is the centre and source of capital, we are not sure that we understand his meaning. We remember, in the early years of the war, the London *Times* used frequently to repeat this axiom, and argued from it that as John Bull would not lend us a penny we must stop fighting. This financial argument, if Mr. Bowles wishes to repeat it, we must confute now, as we did then, by pointing to our immense popular loans, especially the earliest Five-Twenty loan of 1862, and the last Seven-Thirty loan of 1866. The former of these was made when the resources of this country were undeveloped, and

in confusion at the outbreak of the war; and the latter when, after we had passed through the struggle, and was exhausted with the stupendous struggle through which we had passed we still contrived, in one single year, to raise among ourselves, and without foreign help, no less than 1,800 millions of dollars. We point to either or to both of these great loan efforts of this country, and we challenge Mr. Bowles to produce in the financial history of France, England, or of any other nation, aught that will compare with them. They are, and were, the wonder of foreign nations, and the glory and triumph of our own. How, with these vast resources, we are still compelled to pay so high a rate of interest is a question to which many answers have been given. As to the methods by which we are to put matters on a more satisfactory footing, there is also great diversity of opinion. But assuredly the goal is not to be reached in the way pointed out by Mr. Bowles.

COUPON AND REGISTERED BONDS.

[From the Commercial & Financial Chronicle.]

We have heretofore had occasion to call attention to the liberal policy pursued by the Secretary of the Treasury in making public all information in regard to the Government finances, which can be published without detriment to the service. The monthly statements of the public debt are given much more in detail than formerly, and, in regard to all the financial operations of the Government, the utmost publicity is observed, giving to all parties an equal advantage in forecasting the result of such operations, and in shaping their business transactions accordingly. Although this course seems to be the only true and honorable one for a public officer to pursue, when occupying the position of fiduciary agent for the whole people, it has not always been followed, and, at various periods in former years, the complaints against the secrecy of Government operations have been loud and strong.

The subject also seems to warrant these remarks, the more, from the fact that concealment in regard to the affairs of great corporations by their officers and directors, is one of the greatest financial evils of the time, and it would be an unfavorable sign, should the example for such concealment be found in the action of the Government itself. The following statement of the respective amounts of coupon and registered bonds of each issue of United States loans, outstanding on the 30th of September last, has been furnished by the Treasury Department. No similar statement has ever been made before, to our knowledge, not even in the Annual Report of the Secretary of the Treasury, and as the pro-

cess of conversion from coupon to registered bonds has been going on for a long time, the respective amounts of each kind have changed materially since they were originally issued. All the coupon bonds purchased by the Treasury are immediately converted into registered, and \$34,100,950 of coupon bonds had been thus converted up to the 30th of September last :

STATEMENT SHOWING THE AMOUNT OF COUPON AND REGISTERED BONDS OUTSTANDING SEPTEMBER 30TH, 1869.

Aet.	When payable.	Coupon.	Registered.	Total.
June 14th, 1859.....	Jan. 1st, 1874	14,755,000	5,245,000	20,000,000
June 22d, 1860.....	Jan. 1st, 1871	973,000	6,049,600	7,022,600
Feb. 8th, 1861.....	Dec. 31st, 1880	5,380,000	13,035,000	18,415,000
March 2d, 1861.....	July 1st, 1881	945,000	.....	945,000
July 17th, 1861.....	June 30th, 1881	74,065,300	115,252,300	189,317,600
Feb. 25th, 1862.....	May 1st, 1882	385,750,050	129,016,550	514,771,600
March 3d, 1863.....	June 30th, 1881	24,328,450	50,671,350	75,000,000
March 3d, 1864.....	March 1st, 1904	66,617,750	127,949,500	194,567,300
March 3d, 1864.....	Nov. 1st, 1884	.....	3,682,500	3,682,500
June 30th, 1864.....	Nov. 1st, 1884	60,833,050	64,728,250	125,561,300
March 3d, 1865.....	Nov. 1st, 1885	139,095,200	64,232,050	203,327,250
March 3d, 1865.....	July 1st, 1885	242,598,300	90,400,650	332,998,950
March 3d, 1865.....	July 1st, 1887	284,404,950	95,184,000	379,588,950
March 3d, 1865.....	July 1st, 1889	32,689,350	9,850,000	42,539,350
		1,332,440,600	775,496,200	2,107,936,800

THE ASSISTANT TREASURERSHIP.]

The choice of a successor in office of General Butterfield becomes a matter of considerable public interest, from the difficulty experienced in finding a suitable person to take the position. There is no actual scarcity of parties possessing the requisite qualifications; but there are few who while competent for the duties are willing to accept the responsibilities for the compensation allowed. The office is one of great importance. The responsibility attached to it exceeds that of any other under the Government. The Assistant Treasurer is custodian of from \$70,000,000 to \$100,000,000 of money—a larger amount, probably, than is held by any fiscal officer in any country. He is responsible not only for the safe keeping of these funds, but also for the faithful and accurate execution of financial transactions aggregating over \$1,000,000,000 per annum. His responsibility extends not only to his own acts, but to the errors of his clerks, their defalcation, acceptance of spurious evidences of debt, their over payments, and in short everything at variance with a correct administration of his immense trusts, whether done directly by himself or through his agents. For the performance of such duties the highest business qualifications are required. The officer must have proved himself, through a long experience, to be a man of unquestionable integrity. He ought to be familiar with the banking system of New York and with all the details of practical finance. As the financial representative of the government at the money centre of the country, he is naturally called

upon, in monetary exigencies to tender opinions and counsel to the Secretary of the Treasury, who being at a distance from the centre of business often finds it impossible to form an independent opinion of the situation of affairs. At times the Secretary of the Treasury must confide to the Assistant Treasurer an absolute discretion in matters of great magnitude and importance affecting the market for money, gold, and securities.

Not only does the performance of these duties call for mature experience in the highest branches of practical finance and for excellent judgement and great prudence, but the public interest demands that who ever occupies this position should possess these qualifications in an eminent degree.

Is it to be expected, however, that one thus qualified would accept the risks, the labor, the responsibility, the worrying criticisms of *ad captandum* writers, and the liability to removal upon changes of administration, for a consideration of \$6,000 per annum? A person competent for such an office can readily command, in other positions, a salary of \$15,000 to \$20,000; and what reason has the Government, or we should rather say our law-makers, to expect that it can secure the requisite ability and character for one-third of that amount? If the officer accepts a compensation below what his abilities would command elsewhere, there is reason for expecting that his official position may be used, in outside operations, for making up the deficiency. In fact, the inadequacy of the salary acts directly as an incentive to speculation, on the part of the holder of the office, based upon the knowledge and facilities growing out of Government transactions. While, therefore, it may not be impossible to find a pure officer for the present salary, yet the lowness of the pay tends to make the incumbents impure; and before we can reasonably expect the Assistant Treasurer to maintain a spotless reputation, we should compensate him in proportion to the value of his services and the reasonable demands of his social position.

But while justice and prudence would demand that Congress should grant a more liberal remuneration for this office, it may be well for Congress, at the same time, to consider whether the period has not arrived for making some change in the manner of receiving, paying out, and holding the government funds. The accumulation of \$100,000,000 of money in the vaults of the Sub-Treasury, held aloof from the business of the country, and alternately distributed and again absorbed in large amounts is productive of serious derangements to the money market and to the general business of the country. While it may be necessary for the Government, in the present condition of its finances, to have large balances at its disposal, yet it is equally important that its funds should be so held

as to be available for facilitating the exchanges of the country and for encouraging its enterprise, now repressed by numerous unnatural agencies, the legacy of war finance. The working of the public finances, instead of being conducted outside of the general financial operations of the country, and acting arbitrarily, and often injuriously, upon exchanges, should be so regulated as to form a part of the great whole, the one running into and naturally co-operating with the other. We do not, at present, propose to consider the details for such an arrangement; but the principle is so obviously natural and sound, that it appears to us but to need suggestion in order to command approval. No firm, or corporation, or city, or State, however extensive its capital and operations, finds it necessary or expedient to isolate itself from the banking arrangements of the community, and to erect an agency wholly independent for the transaction of its business; nor is it easy to conceive of adequate reasons for the Government taking an exceptional course. This was a matter of little moment when our disbursements amounted to only a few millions of dollars in a year; but now, when the aggregate receipts and disbursements have increased so largely, the system becomes a source of embarrassment and of actual injury to every interest, involving, as it does, the alternate letting out and locking up of such large sums, and the perpetual idleness of the immense balance it holds, of capital adapted for circulation through the channels of commerce and industry. We think, therefore, that the whole system demands the early attention of Congress.

A GOLD PRICE FOR COTTON.

The desirableness of a return to a stable basis of values is admitted by every one and many are the methods proposed by which that point may be reached. There is at present a want of fixedness and an absence of certainty in business transactions, which all deplore and which must continue while the price of gold or more correctly speaking the value of the greenback is daily and almost hourly changing. For with this large and irredeemable paper currency, thus changing in its purchasing power day by day, prices vary, the spirit of speculation is kept active, and an unhealthy and unsteady tone prevails in all financial and commercial circles.

In no branch of business is this continued fluctuation more unfavorably felt than in the cotton trade. There is now no large margin as formerly in prices between different countries. The telegraph has brought this market and Liverpool and all other cotton markets so closely together that a commission is about all the merchant can secure in any transaction, and

a slight turn in gold can more than wipe out this, leaving a loss as the net result of the operation. In fact so great has the risk become that the careful shipper must buy his gold first and then his cotton. Purchases also, for future delivery (a legitimate business), are rendered, from this same cause, almost as uncertain as a ticket in a lottery.

These facts have long led the Northern cotton merchant, especially those engaged in a foreign business, to desire freedom from our present unstable currency. To await till we return to a specie basis, may require the continuance for years of the existing difficulties; whereas a very simple and immediate remedy, so far as this branch of business is concerned, may be found in selling cotton hereafter for gold; that is, having no currency quotation, but simply a quotation in gold. As is well known, this has always been done in Galveston, and the South generally is in a condition to make the change. At the recent Commercial Convention in Louisville there was presented a communication from Mr. R. W. Latham, of Washington, in which were embodied the views of a meeting of Southern gentlemen, who, in July, passed resolutions in favor of the organization of banks at the South, under State loans and on a coin basis. The meeting resolved that our present paper currency was an undesirable medium of exchange; that the South had less than its proportion of national bank currency; that planters sell their cotton, hemp, tobacco and sugar for coin only; and that they make their labor contracts payable only in specie. The subject referred to in the concluding portions of this resolution has been widely discussed at the South, and is looked upon with favor by leading and influential men, as well as by the journals of that section, as a means of reconstructing our internal commerce upon a sound and safe basis, and avoiding the fluctuations that peril and render uncertain so much of the business of the country.

The cotton crop, at present prices, is worth say \$300,000,000, and of this value nearly two-thirds is taken for export, and goes abroad as the medium of settling our exchanges. Entering thus with controlling influence into our foreign commerce, how essential this change becomes. With it there would be uniformity in price at New Orleans, at Mobile, at Charleston, at New York, and at Liverpool. Purchasers would know what they were buying, and producers would know what they were selling. On the other hand, the present selling currency price, as stated above, must always be first adjusted to the gold value at the moment of purchase, and even then, before the transaction is closed, it is clouded, and its results are, perhaps, materially changed by the varying humors of the Gold Room. With every hour the figure fluctuates; a rise or fall of several per cent may occur in a day, or a week. Gold rings are organized, whose operations utterly paralyze foreign commerce, and a wide-

spread uncertainty and doubt become the rule where order, harmony, stability and fixedness should govern.

The South, also, is now out of debt, and for this reason in an excellent condition to inaugurate this scheme and put it into effective practice. The old debts of the South have either been paid, or where they could not be thus liquidated, they have been wiped out by the Bankruptcy Act. There is not, therefore, any debtor class to suffer by a return to specie payments. At present the merchants from that section are the favorite buyers in our market. They usually come with cash, and have had behind them the immense value of the cotton crop. Formerly the South depended largely, indeed almost entirely, on this great staple, and the money for it was spent before the crop was raised. The changed condition, resulting from the war, has introduced a changed method of agriculture. Industry is more diversified, and attention is paid to the raising of a variety of crops. The food for which they once looked so largely to the northwest is now produced at home in greater quantities than before. They buy fewer products for consumption. They have a large surplus of cotton from the proceeds of which they are accumulating wealth.

But it may be said that the step we have indicated is a step towards the resumption of specie payments. It is certainly a movement in that direction, and for that reason a special benefit to the north. Its influence would be felt in the north and west, and would tend to modify and render more certain business transactions in all parts of the country. Besides, this step is rendered the more necessary in view of the possible action of the Supreme Court of the United States in declaring the Legal Tender Act unconstitutional. There have been intimations that the opinion of this court would be adverse to the legality of the act, and there are very many who believe that the delay in rendering a decision is due to the apprehension of the Court of the effect of a sudden announcement of the conclusion reached by them. Be this as it may, however, much of this apprehension would soon be found to be groundless if a good start was already made in doing an important branch of business upon a specie basis. There would be at least one solid rock of real credit and value upon which commerce could be re-erected, and which would defy whatever tempest and disaster might from any cause result. But the apprehension and dread of those who predict immediate disaster upon a declaration of the unconstitutionality of the Legal Tender Act, is according to our view, by no means certain of being realized. No decision of this Court could have a more damaging effect upon the general trade of the country than the late speculations in gold which prostrated the business of the nation as effectually as if it had been stricken by a tornado or upheaved by an earthquake. Prices declined, the import

trade ceased, the export business was checked, confidence departed, and the healthful commercial transactions of the whole country were suddenly and unexpectedly arrested. Such results as these we have seen recently. The "flurry" of a week culminated in a shock which was at once composed by stupefying all the interests that had been perturbed by it. If there had been a price in currency before for cotton, it ceased to have a value then, and no mathematical calculation could solve the intricate mysteries of the market, and bring order out of the confusion that prevailed. Under our present currency system, we are continually liable, and each succeeding year more liable to a recurrence of these gold corners, and it would appear that no decision, however sweeping in its effects, could have a more damaging influence upon the business interests of the country. But more than this, we are led to believe that the government will take such steps that its issues of currency will be redeemable in gold on the announcement of such a decision, and the immediate effect may thus be of far less moment than any imagine. We shall discuss this point more fully on a future occasion.

In view of what has been said would it not be possible and also the part of wisdom for this city to take the lead in this extremely important matter. The cotton is at the South to be sure, but the great body of the capital which makes the exchanges and transacts the business are here. Let cotton factors explode these currency rates at once, quoting cotton in a language intelligible to all the world and not requiring an elaborate arithmetical investigation to render it comprehensible. This staple offers the best point of departure because, as we have already stated, of its great value, and because so much of it enters into export, and is employed in adjusting the balances of the foreign trade. There is a significance about gold dealings in cotton which do not belong to grain or tobacco. They are comparatively modern elements in our commerce with the rest of the world, but they would not long resist the impulse of the new tide on which business would be borne along. They would be lifted from their currency moorings and wafted into an open sea where there was depth, a safe anchorage and ample sea room. If there ever was a time when stability in business should be sought for it is at the present moment. We have learned many lessons by experience, and we grow more assured every day that the real prosperity of the country depends upon a return to specie payments, and upon the subordination of our vast commercial interests to the established principles of financial action.

TRANSPORTATION OF BREADSTUFFS.

In the course of an article in September, on the subject of Breadstuffs, the probable supply, and the demand from Europe, we briefly alluded

to the fact that the matter of transportation might become of unusual importance in its relation to the course of prices. Year by year the centre of the great wheat-growing districts of the United States has been moving westward, until, from being in the Genesee Valley, as it was thirty-five years ago, or in Ohio or Michigan, as it was twenty years ago, it is now on the banks of the Mississippi, or to the westward of that great river. And as the centre of the wheat growing region has moved westward, the quantity which it is necessary to bring to the seaboard every year has increased. The same remark applies, in a less degree, to other cereals—corn, oats, rye, barley, &c.; and the subject of the means provided and the rates paid for the transportation of the vast quantities of breadstuffs now seeking the seaboard from far western fields, is one whose importance is constantly asserting itself.

The serious breaks in the Erie Canal, which were produced by the severe floods of October, and against which no foresight could have guarded, suspended navigation about two weeks, and was attended by various circumstances which gave it unusual importance, and finally forces the whole subject of the transportation of breadstuffs eastward upon public attention. The crop of spring wheat was fully twenty days late this season, and this break occurred just at the time when it began to move,—delaying the first considerable arrivals of spring wheat at this market to about the first of November, instead of the first of October, as usual; giving us, in fact but about one month's free deliveries by canal, instead of two, as usual. Should the weather prove exceptionably favorable, we may have yet five weeks of canal navigation, during which we have to accumulate such a stock of grain in store as will, with the aid of the receipts by rail, enable a steady export movement to be maintained, in addition to the local demand, without giving room for any important advance in prices. But if the canal should be suddenly closed by frost in the last week in November, it would be a serious circumstance.

The period during which the Erie Canal remains closed is usually about twenty weeks—sometimes as many as twenty-two, and often not more than eighteen. The largest accumulation of grain in store at this market, at the close of navigation, has been about fourteen million bushels. The actual wants of this market for consumption are about 85,000 bushels per day; namely, 15,000 bushels wheat, 35,000 bushels corn, 25,000 bushels oats—the balance rye, barley, &c. Thus fourteen million bushels in store will nearly meet the wants of consumption during the winter months. But it often happens that the quantity in store at the close of navigation is unequally divided, there being a surplus of one sort and a deficiency in another. The railroads or speculation must restore the equilibrium.

It is but two years since the railroads began to deliver any considerable quantities of grain at this market. In the fall of 1867, we think, we found at the close of navigation but about 1,500,000 bushels of corn in store—a quantity so notoriously inadequate to our wants, even when supplies from the South were added to it, that a great speculation and a large advance in prices resulted therefrom. These high prices induced the Erie railroad to make the needful preparations to bring forward corn in cars, and very soon we had a supply of from twenty to thirty thousand bushels per day. The speculation broke down, and every legitimate interest was vastly benefited. This marked a new era in the transportation of grain from the West. We have since received large quantities of wheat and oats by the same means. For the eight weeks ending last Friday, the deliveries of grain at this market by rail amounted to the handsome aggregate of 3,412,600 bushels, over 70,000 bushels per business day and nearly equal to the home wants of the market. The Erie road has now many competitors in the business. The New York Central, in connection with the Hudson River, Railroad, and the Pennsylvania and New Jersey Roads, are all engaged in bringing grain to this market.

During the winter season, these roads cannot bring to us so much grain as now. They will then be encumbered with large quantities of perishable products, which usually seek the market in cold weather. Dressed hogs, game, and dressed poultry—these justly claim and receive the preference. But if the deliveries of grain by rail at this market be reduced to 50,000 bushels per day, there would not, even then, be danger of any deficiency in supplies. It is very probable that an accumulation of stocks in December will approximate eight million bushels. The export demand is confined entirely to wheat; and of this, unless the shipments shall be much larger than for the past few weeks, a stock of four million bushels will be ample.

Besides, there are routes to the seaboard from the West other than those leading to New York. Portland is an important point, and nearly monopolizes the export of oats; Philadelphia and Baltimore can get forward liberal quantities of grain by rail. We noticed the other day the charter of a vessel to load wheat at Philadelphia for a British port. This is an unusual circumstance. In former years, that city, as well as Baltimore, drew on us largely for wheat. There remains to be considered the Mississippi route, via New Orleans. It is a long and expensive one, it is true; but during the active export of cotton, ships at New Orleans are glad to get some grain for ballast, and will accept low rates. This may in a measure overcome other obstacles to a movement of grain in that direction.

We conclude, therefore, that although rates for carrying grain from the growing districts to the seaboard are likely to be high for some months to come, there is no danger of such a scarcity of supplies at this market as to promote successful speculation, or seriously interfere with the regular course of shipments to Europe, unless something unforeseen should occur; and we infer that the lateness of the crop of spring wheat, and the break in the Erie Canal, are not likely to be attended with the important effect upon prices which many seem to expect. Still, if they shall attract attention to the growing importance of increased facilities for transporting the products of the West to the seaboard at all seasons of the year, an important service will have been performed.

CONSUMPTION OF COTTON IN EUROPE.

M. Ott-Trumpler, of Zurich, issued about the first of October his interesting annual Circular respecting the cotton consumption of Europe the past season, of which we have received a copy by the last steamer. We can make room this week only for the following tables showing the consumption. The figures represent thousands of bales.

	Ameri- can.	In- dian.	Bra- zil.	Egypt.	Sun- dry.	Total
Stock in the ports October 1, 1868.....	113	260	102	19	19	513
Imports during the season.....	974	1,625	521	187	140	3,447
Total.....	1,087	1,885	623	206	159	3,960
Exports to the Continent.....	153	626	78	10	17	884
	934	1,259	545	196	142	3,076
Total in the ports Sept. 30, 1869.....	57	346	52	21	13	489
Consumption.....	877	913	493	175	129	2,587

CONTINENT.

Stock, Oct. 1, 1868, at Havre, Marseilles, Bordeaux, Nantes, Antwerp, Amsterdam, Rotterdam, Bremen, Hamburg, Trieste, and Genoa.....	21	43	13	2	22	101
Imports direct from countries of production at above named ports.....	388	233	121	51	245	1,038
Export from England to the Continent, deduction being made for 11,000 bales, exported from Continent to England.....	153	624	71	9	14	871
Total.....	562	900	205	62	281	2,010
Stock, Sept. 30, 1869, at above ports.....	17	50	14	1	12	94
Consumption.....	545	850	191	61	269	1,916

CONSUMPTION OF EUROPE.

	Ameri- can.	Ind- ian.	Brazil.	Egypt.	Sun- dry.	Total.
1868-69.....	1,422	1,763	684	26	398	4,503
1867-68.....	1,735	1,522	708	251	388	4,604
1856-67.....	1,548	1,592	450	215	342	4,147
1865-66.....	1,237	1,633	423	255	387	3,935
1864-65.....	236	1,487	324	374	634	3,053
1863-64.....	242	1,163	208	325	660	2,598
1862-63.....	133	1,454	160	227	162	2,146
1861-62.....	562	1,090	122	164	55	1,993
1860-61.....	3,443	674		271		4,388
1859-60.....	3,407	592		273		4,172

	ENGLISH CONSUMPTION.						CONSUMPTION OF CONTINENT.					
	Ameri- can.	In- dian.	Bra- zil.	Egypt.	Sun- dry.	Total.	Ameri- can.	In- dian.	Bra- zil.	Egypt.	Sun- dry.	Total.
1868-69.....	877	913	493	175	129	2,587	545	850	191	61	269	1,916
1867-68.....	1,197	799	533	189	111	2,829	539	721	175	69	277	1,783
1866-67.....	1,016	815	298	160	125	2,414	532	777	132	55	217	1,733
1865-66.....	846	878	259	186	150	2,319	391	755	164	69	237	1,616
1864-65.....	187	850	203	285	348	1,873	49	637	121	89	286	1,183
1863-64.....	178	690	134	219	414	1,565	64	543	74	106	246	1,033
1862-63.....	99	905	111	163	54	1,332	34	559	49	64	108	814
1861-62.....	304	675	101	122	15	1,217	258	415	21	43	40	776
1860-61.....	2,170	949		193		2,612	1,373	425		78		1,776
1859-60.....	2,135	907		218		2,560	1,272	385		55		1,712

STOCK IN ENGLAND SEPTEMBER 30.

1869.....	469	1867.....	911	1865.....	304	1863.....	217	1861.....	779
1868.....	513	1866.....	945	1864.....	490	1862.....	329	1860.....	954

The following figures show the imports and consumption in Europe in each of the last eight seasons :

	Stocks in Europe		Imports			Stocks at close of season.	Consumption		
	Oct. 1.		Ameri- can.	Other countries.	Total.		Total.	Engl'd.	Cont'
1861-62.....	1,019		84	1,304	2,427	368	1,993	1,217	776
1862-63.....	368		151	1,917	2,436	250	2,146	1,392	814
1863-64.....	250		215	2,716	3,181	563	2,588	1,565	1,033
1864-65.....	563		220	2,602	3,415	347	3,055	1,873	1,182
1865-66.....	347		1,565	3,166	5,078	1,143	3,935	2,319	1,616
1866-67.....	1,143		1,495	2,601	5,239	1,092	4,147	2,414	1,733
1867-68.....	1,092		1,572	2,554	5,218	614	4,604	3,822	1,789
1868-69.....	614		1,362	3,110	5,086	583	4,503	2,587	1,916

The receipts at the ports of Spain, Sweden and Russia, from America and other countries, and the consumption in Italy of native cotton, are not included in these tables of consumption.

ANNUAL REPORT OF THE COTTON MANUFACTURERS' ASSOCIATION, PRESENTED OCTOBER 12, 1869.

At the annual meeting, held in New York, June 30, 1869, the Statistical Report embraced returns from 794 cotton mills, having over 99 per cent of all the spinning machinery in the country. The details and results of the statistics thus obtained appear in the published proceedings of that meeting. We here repeat the statement of the home consumption of cotton, North and South, for the year 1867-8, and have, for the greater facility of comparison, changed the quantities from pounds to bales of 466 pounds each, that being the actual average, as is shown by the table of weights appended to this report.

Consumption of cotton, year ending 31st August, 1868:

Consumption of cotton, year ending 31st August, 1908:		Bales of cotton	
		Spindles.	used for spinning.
Northern Mills.			
Mills returned	698	6,429,974	855,007
Mills estimated.....	43	50,000	6,833
	736	6,502,974	861,840
Southern Mills.			
Mills returned	161	947,583	76,955
Mills estimated.....	7	13,000	4,430
	168	960,583	81,385
Used in mills, otherwise than for spinning,			
Quantity returned.....			24,165
Quantity estimated.....			30,013
			54,208
Totals.....	844	6,763,557	997,433
Deduct for exceptional cases in which the quantity reported was the consuming capacity, and not the actual consumption.....			
			31,767
Actual home consumption, North and South, 1867-8.....			
			965,666 bales

This consumption represents the quantity taken by the home mills from the crop of 1867-8, except the small difference in the stocks held by the mills at the beginning and end of the year.

The Committee desiring to obtain the mill statistics for 1868-9, for comparison with those of the previous year, and to facilitate the correct preparation of the annual crop statements,

directed the issue, about the 1st of August, of a circular addressed to the managers of the cotton mills in the country, inclosing a copy, for correction, of the return for the year ending August 31, 1863, and asking for the statistics of each mill, for the year ending August 31, 1864.

By September 1st the Secretary had received returns from 77 per cent of the mills reported last year, and by October 1st from 90 per cent of all these, and from a few mills which did not then report, but were included in the estimates then given. The results are shown in the following table:

SYNOPSIS OF NEW RETURNS TO OCTOBER 1, 1899

State.	11s.	Spindles.	Yarn.	Cotton spun.	Spindle.	Average per Otherwise used.
Maine.....	19	480,424	23%	25,092,047	51.30	.....
New Hampshire.....	43	745,930	26	39,894,541	52.81	680,481
Vermont.....	11	27,163	20%	1,071,867	48.73	112,534
Massachusetts.....	143	2,366,033	28%	124,298,128	52.54	168,674
Rhode Island.....	39	906,881	33%	36,593,689	40.39	375,000
Connecticut.....	73	514,549	30	25,559,591	49.67	267,820
New York.....	43	439,911	32%	78,791,163	43.71	749,500
New Jersey.....	17	136,002	36%	5,823,718	39.18	.....
Pennsylvania.....	60	271,946	19	18,735,056	68.85	457,000
Delaware.....	7	85,109	20%	1,986,886	56.60	.....
Maryland.....	8	38,803	12%	4,994,237	147.75	.....
Ohio.....	3	13,310	10%	1,643,603	124.24	100,000
Indiana.....	1	10,800	14	1,447,908	134.07	.....
Illinois.....	2	460	27	57,882	60.61	126,500
Missouri.....	8	12,034	11%	1,793,644	148.68	.....
North.....	512	5,999,110	28%	306,751,964	51.13	3,038,868
Virginia.....	7	27,143	14%	2,363,163	83.80	.....
North Carolina.....	16	29,743	12%	2,456,741	120.18	.....
South Carolina.....	6	29, 84	12%	3,682,506	123.54	.....
Georgia.....	26	73,556	12%	9,909,947	133.92	.....
Alabama.....	8	27,364	15%	2,460,738	89.94	.....
Mississippi.....	3	8,932	8%	242,000	72.63	.....
Texas.....	2	1,716	9%	204,200	121.97	.....
Arkansas.....	1	5, 6	10	96,363	184.81	.....
Tennessee.....	7	9,800	11%	735,071	75.	.....
Kentucky.....	2	4,500	9	788,795	175.29	.....
South.....	76	197,759	12%	22,773,713	115.02	.....
RECAPITULATION.						
North.....	512	5,999,110	28%	306,751,964	51.13	3,038,868
South.....	76	197,759	12%	22,773,713	115.02	.....
Total.....	5-8	6,196,869	28	329,525,682	53.17	3,038,868

The mills embraced in last year's report that have not now reported were generally of small capacity, having in the aggregate only 676,689 spindles.

The returns from 581 mills last year and this year, compare as follows:

	Lbs
503 Northern mills, which for 1867-8 reported 5,827,947 spindles, consuming.....	331,559,311
Report for 1868-9, 5,977,684 spindles, consuming.....	305,484,085
Showing a falling off of 7.86 per cent, or.....	26,075,226
75 Southern mills, which for 1867-8 reported 195,921 spindles, consuming.....	27,390,108
Report for 1868-9, 195,639 spindles, consuming.....	22,678,718
Showing a falling off of 17.20 per cent, or.....	4,711,390
Together, 531 mills, which in 1867-8 reported 6,023,868 spindles, consuming...	358,949,419
Report for 1868-9, 6,173,343 spindles, consuming.....	328,162,803
Showing a falling off of 8.57 per cent, or.....	30,786,616
These 531 mills reported for 1867-8, as cotton used otherwise than for spinning...	4,705,600
And report for 1868-9.....	1,761,576
Showing a falling off of 41.30 per cent, or.....	1,943,124

It is fair to assume that a ratio afforded by returns from 93 per cent of the spindles reporting last year, and 89 per cent of all in the United States, taken as they come, will be a just and true ratio for the whole manufacturing power in the comparison of the last and the preceding year's work. It is therefore applied to all the mills reported and unreported in the following statement of the home consumption in the mills, North and South, for the year 1888-9, reckoned, as last year, in bales of 466 pounds each.

	Mills.	Spindles.	Pieces used for spinning.
North.....	736	6,670,846	767,512
South.....	108	260,000	64,998
Used in mills, but not for spinning.....			31,741
Totals.....	844	6,930,846	864,254 in 1868-9
Against.....	844	6,763,557	965,666 in 1867-8
Showing a reduction in Northern mills, for spinning.....			65,448 bales
" " Southern "			31,500 "
Cotton otherwise used.....			22,664 "
Total.....			101,412 "

Our report in June, after remarking upon the considerable contraction in the production of heavy goods after January, said, "The aggregate for the whole year is believed to be less than for the year preceding, but this can be determined only by renewed returns from the mills to be made at the close of the season, 31st August." We have those returns, and they confirm the impression which was common among manufacturers that the home consumption has been less than in the preceding year. On the other hand the stock of cotton held in mills August 31, 1869, was larger than that held August 31, 1868. The excess this year was estimated by the COMMERCIAL AND FINANCIAL CHRONICLE of New York to be 36,000 bales. That estimate was too small, as shown by later developments, as to stocks held, and by the limited quantities taken by spinners since September 1st,—about 10,000 bales per week.

The actual consumption having been..... 864,254 bales
And the increase of stock in the mills..... 50,000 "

The whole quantity taken by the manufacturers was..... 914,254 "

For many years the *Shipping and Commercial List* of New York, was justly the standard authority for annual statements of the cotton crops of the United States. Down to 1862 its statements were well prepared from data, obtained at the several seaports of the South whence nearly the whole crop was shipped to either Northern or Foreign ports, and the results (excluding an estimated consumption south of the Potomac) were approximately correct, and a valuable contribution to the industrial statistics of the country. Your committee feel compelled to show that the *Shipping List* is no longer to be regarded as authority, and to expose the errors which have rendered its cotton statistics worse than useless since the close of the war. They do it reluctantly. * * * * * If the authorities agree substantially in the statistics of exports foreign, and of the stocks at the beginning and end of the year. They also agree in the statistics of Southern ports. It is the cotton moved by inland routes which gives occasion for confusion and opportunity for misstatement. The attempt to apportion its quantities to mill and market, respectively, by estimation only, was in a matter of this consequence, a fault. Persistence in such a course after its errors have been pointed out, becomes worse than a fault. Any error thus produced in the amount of "receipts" of cotton required a corresponding error in the "home consumption" to balance it. The item was made elastic, compressible, or expandable, to suit the exigencies of the case, and corresponded to the required amount of "receipts at the ports." But in this item of home consumption of cotton, both planter and manufacturers had a strong interest, prompting a desire to know the truth about it. In ascertaining the consumption and its proportions, North and South, the Association has established a statistics *delictor*. The several quantities: 1, of cotton retained for home use, or destroyed; 2, of cotton exported; 3, of stocks in the ports at the beginning and end of the year; are all the elements required for an exact statement of the cotton crop.

The statement of the *Shipping List* was as follows:

Total Crop of the United States	bales	2,260,557
Add Stocks on hand, 1st September, 1868.....	"	37,398
Makes a supply of.....	"	2,297,955
Deduct therefrom.....		
"Export to foreign ports.....	1,444,668	
Stocks on hand, 1st September, 1869.....	11,160	
Burnt in transit.....	203	
Manufactured in Virginia.....	20,000	1,476,081
Taken for home use North of the Potomac and Ohio Rivers.....		821,924
" " " South " " and burnt.....		173,203
Total consumed and burnt in the United States, (including burnt at the ports,) 1868-9.....		995,127

It will be observed that here, as in years past, the *Shipping List* excludes from "the crop" all the cotton which it estimates to have been retained in the South, except 20,000 bales used in Virginia, and 203 bales burnt. The quantity excluded is..... bales 173,203 which, added to the "Total Crop" as above..... " 2,260,557

would show an aggregate production of..... " 2,433,760

The wool consumed in the Western States, is not excluded from any annual statement of the crop of wool in the United States.

The cotton goods consumed in Great Britain are not excluded from the Commercial or Board of Trade Statement of British manufactures. There is no reason why the Southern consumption of cotton should be excluded from the cotton crop of the United States.

The *Shipping List* stated the quantities respectively taken for home use "north of the Potomac and Ohio Rivers," and south of the Potomac and Ohio Rivers, burnt, &c., in its annual crop statements for four years, as follows:

	North.	South.	Total.
1865-6.....	601,085	127,640	728,725
1866-7.....	573,367	280,672	854,039
1867-8.....	799,817	168,348	968,165
1868-9.....	821,924	173,203	995,127

During the last year ample proof has been given that the States south of the Potomac River never consumed, for spinning purposes, in mills and families, (except during the late war) so much as 85,300 bales of cotton in a year. The use of cotton for mattresses and other upholstery nearly or quite ceased with the advent of war prices. The cotton burnt or otherwise

destroyed, after being baled, has not this year exceeded 4,500 bales. Statistics are worse than useless if not accurate. The question at issue is not merely whether the Southern consumption of cotton, the past year, was 20,000 bales or 173,000 bales, though that is an important one; but the question is, whether the public is not misled by receiving as a standard authority a commission radically defective. In the form used by the *Shipping List*, the subtraction of 173,303 bales from the production of the country, instead of 20,000 or 25,000 bales left the "crop" smaller by the excess subtracted.

Thus, if the true Southern consumption only had been deducted, the crop of 1868-9 would have been about 2,350,000 bales assuming that the other data and the method of the *Shipping List* were correct. By similar process the crop of 1867-8 would have been shown to be over 2,500,000 bales; of 1866-7 over 2,100,000 bales; of 1865-6 over 2,300,000 bales, that is, if the several amounts appropriated in excess for Southern use were transferred to the several appropriations for Northern use, and thence counted in the "crop" (as the *Shipping List* always reckoned the Northern consumption in the crop), then the several crops would have been increased, as stated. For instance, the *Shipping List's* annual statement for 1866-7, stated the crop thus:

Total crop of the United States	1,951,988
Stock on hand, 1st September, 1866	283,692
Makes a supply of	2,235,680
Deduct—Exports to foreign ports	1,553,315
Stock on hand, September 1, 1867	60,296
Burnt and manufactured in Virginia	28,672
	1,662,313
Taken for home use north of Virginia	573,367
" " " in Virginia and elsewhere throughout the U. S.	280,672
Total consumed in the United States, including burnt, &c.	854,039

The statement of the Southern consumption at 280,672 bales was so obviously wrong that it was severely assailed at the time, and in its next year's annual statement the *Shipping List* changed the figures in its table, and brought forward the home consumption of 1866-7, thus: North of Virginia, 697,367; elsewhere, 156,672; having taken 124,000 bales from the South and added it to the North, but without any note or other reference to this remarkable change. This increase of the Northern consumption, it will be seen, necessitated a like increase in the crop receipts, because the exports and stocks were fixed facts, and the crop receipts and consumption enough to balance them were the only elastic or convertible quantities.

The statement amended by the *Shipping List's* own figures must have stood thus:

Total crop of the United States, 1866-7	bales. 2,075,988
Stock on hand Sept. 1, 1866.	283,692
Makes a supply of	2,359,680
Deduct—Exports to foreign ports	1,553,315
Stocks in ports Sept. 1, 1867	60,296
Burnt and manufactured in Virginia	28,672
	1,662,313
Taken for home use, north of Virginia	697,367
Taken for home use in Virginia and elsewhere	156,672
Total consumed in the United States (including burnt, &c.)	854,039

If the crop had been so stated, what would have become of the contracts, &c., that were settled in accordance with the *Shipping List's* statement, making the crop less than two million bales?

So much to illustrate the untrustworthy character of the system that has been followed. Returning to the details of the last crop, the committee present the following as a true statement of the entire production of cotton for 1868-9 in the United States:

Home uses—In mill's North, spun	bales. 767,512
In mill's South, spun	64,998
In mill's North and South, not spun	31,744
In mill's North and South, added to stock	50,000
In home spinning, &c., South	7,500
Burnt or otherwise destroyed after packing	4,590
	926,254
Exports foreign, as per New York tables	1,443,000
" " to and through Canada	18,000
	1,466,000
Disposed of through the year	2,392,254
Deduct—Difference in stock in ports:	
Stock 1st September, 1868	38,130
Stock 1st September, 1869	12,343
	25,787
Total production, 1868-9	2,366,467

The committee, after a careful examination of every point involved, feel entire confidence in the substantial correctness of the statement of the crop of 1868-9 which they have presented above. Yet they would not wholly rely upon any one method or form of statement or collation of facts, if another is practicable.

As in the statistics of cotton, quantities are usually stated in bales, the committee have deemed it quite important that the true average weights of bales of United States cotton should be accurately ascertained, and they have instituted inquiries to this end.

In calling for returns from the mills of their actual consumption the past year, it was requested that the answers should be in both pounds and bales. The request was generally complied with; seventy per cent (in consuming capacity) of the Northern mills reported in the form desired, and, with a very few exceptions, in such detail as to indicate that their books had been carefully consulted.

From these returns it appeared that of 838 mills, consuming 244,599,167 pounds, which was 80 per cent of the whole consumption, or 525,441 bales, each bale averaged 465.34 pounds.

The following averages for the several localities stated have been deduced from a great number of invoices from each. Applying these averages to the quantities produced in the same localities, we have the following result for 1868-9:

	Bales.	Average.	Pounds.
New Orleans and Texas	943,022	463	436,619,166
Mobile	230,726	497	114,670,822
Savannah	357,353	473	169,085,175
Charleston	193,943	440	87,534,320
Memphis and vicinity	314,545	473	161,025,240
Nashville, &c. (Inland)	131,000	460	60,260,000
Virginia and North Carolina	65,430	425	27,808,500
	3,370,909	466.45	1,059,308,848

The average net weight of all the American (United States) cotton received at Liverpool the last three years was 444 pounds per bale. As gross weights are always given in our statistics, the tare (equal to $4\frac{1}{2}$ per cent of the gross weights) must be added to this average, and the result will be an average of 465 pounds. A further test has been made by the committee. By the courtesy of manufacturers and merchants of Boston dealing in cotton, they collected from them the actual invoice weights of nearly 180,000 bales, taken without selection, of the crop of 1868-9, as follows:

	Bales.	Pounds.	Average weight.
From merchants	85,561	67,256,531	474.31
From manufacturers	93,564	44,167,287	472.05
Total	179,125	81,423,818	473.13

Of this the greater part was from Memphis, Mobile, Savannah and New Orleans, and it is average is above the average of the whole crop.

As the result of these several inquiries, we have the following:

Average weight of bales—As per returns of Northern mills	lbs.	465 3-10
Invoices from Southern markets		466 $\frac{1}{2}$
Liverpool weights, with tare restored		465
Boston weights		473 $\frac{1}{2}$

And these result in the common average used by the committee, at 465 pounds per bale for the whole crop.

Respectfully submitted.

THE STATE DEBT OF ARKANSAS.

The State of Arkansas in 1827 and 1838 issued bonds to the amount of one million seven hundred and seventy-two thousand dollars, to establish a banking institution in that State.

The failure of the banks to which the bonds were issued, and which were expected to pay the interest upon them semi-annually, left these obligations unprovided for, and since 1841 the State has been in default in regard to them.

The Legislature of Arkansas at its last session passed an act authorizing the issue of new bonds in payment of the principal and interest upon the whole debt. The new bonds amount, with back interest, to the sum of four million four hundred and twenty-five thousand dollars; they have been issued, and are now ready to be exchanged at the American Exchange National Bank in this city; and provision has been made by law for raising a sufficient amount by taxation to pay the interest upon these new bonds as it becomes due.

This act of the State of Arkansas is honorable to its people, and they will find it advantageous to themselves in the growing prosperity and improved credit of the State.

THE DEBT STATEMENT FOR OCTOBER.

The following is the official statement of the public debt, as appears from the books and Treasurer's returns at the close of business on the last day of October, 1899:

Debt bearing interest in Coin.

Character of Issue.	When Payable.	Amount Outstanding.	Accrued Interest.
5½ Bonds.....	After 15 years from January 1, 1859.....	\$20,000,000 00	\$333,333 33
5½ Bonds.....	After 10 years from January 1, 1861.....	7,022,000 00	117,033 33
6½ of 1881.....	After December 31, 1890.....	18,415,000 00	368,300 00
6½, Oreg. War, 31. Redeemable 20 years from July 1, 1861.....		945,000 00	18,900 00
6½ of 1881.....	At pleas. after 20 years from June 30, '61.....	199,317,600 00	3,736,332 00
6½, 5-20's.....	20 years from May 1, 1862*.....	514,771,800 00	15,443,148 00
6½ of 1881.....	After June 30, 1891.....	75,000,000 00	1,300,000 00
5½, 10-40's.....	20 years from March 1, 1864*.....	194,567,300 00	1,621,394 77
6½, 5-20's.....	20 years from November 1, 1864*.....	3,882,500 00	116,475 00
6½, 5-20's.....	20 years from November 1, 1864*.....	125,561,300 00	3,766,839 00
6½, 5-20's.....	20 years from November 1, 1865*.....	203,327,250 00	6,099,817 50
6½, 5-20's.....	20 years from July 1, 1865*.....	332,998,950 00	6,659,979 00
6½, 5-20's.....	20 years from July 1, 1867*.....	379,588,950 00	2,591,779 00
6½, 5-20's.....	20 years from July 1, 1868*.....	42,539,350 00	350,797 00
Aggregate of debt bearing interest in coin.....		\$2,107,936,800 00	\$48,274,137 33
Coupons due, not presented for payment.....			3,750,706 25
Total interest.....			\$52,024,843 58

Debt bearing interest in Lawful Money.

3½ Certificates.. On demand (Interest estimated).....	\$47,640,000 00	\$1,071,900 00
3½ Navy pen. f'd. Interest only applic. to pay. of pensions.....	14,000,000 00	140,000 00
Aggregate of debt bearing interest in lawful money.....	\$61,640,000 00	\$1,211,900 00

Debt on which interest has ceased since maturity.

6½ Bonds.....	Matured December 31, 1862.....	\$6,000 00	\$360 00
6½ Bonds.....	Matured December 31, 1867.....	14,150 00	849 0 0
6½ Bonds.....	Matured July 1, 1868 (9 months' inter.).....	58,700 00	2,641 50
5½ Texas Indem. M.....	December 31, 1864.....	242,000 00	12,100 00
Var. Tr'y notes.....	Matured at various dates.....	108,614 64	3,072 35
5½ 3½'s, Tr'y n's.....	Matured March 1, 1859.....	2,400 00	120 00
6½ Treas. notes.....	Matured April and May, 1863.....	3,250 00	136 00
7½-10's, 3 years.....	Matured August 19 and October 1, 1864.....	31,000 00	1,131 50
5½, 1 & 2 years.....	Matured from Jan. 7 to April 1, 1866.....	300,852 00	15,042 6 0
6½ Certif. of Ind. M.....	Matured at various dates in 1866.....	12,000 00	720 0 0
6½ Comp. Int. n.....	Matured June 10, 1867, and May 15, 1868.....	2,576 210 00	495,901 4 6
4, 5 & 6's, Temp. I.....	Matured October 15, 1866.....	182,410 00	7,564 65
7½-10's, 3 years.....	Matured August 15, 1867, and June 15, and July 15, 1868.....	857,400 00	31,265 10
Aggregate of debt on which int. has ceased since matur.....		\$4,389,986 64	\$570,998 16

Debt bearing no interest.

Authorizing acts.	Character of issue.	Amt. outstand.
July 17, 1861 and Feb. 12, 1862.....	Demand notes.....	\$113,233 50
Feb. 25 & July 11, '62, & Mar. 3, '63.....	U. S. legal-tender notes.....	336,000,000 00
July 17, 1862.....	Postal currency.....	37,005,442 38
March 3, 1863 and June 30, 1864.....	Fractional currency.....	28,731,520 00
March 3, 1863.....	Certificates for gold deposited.....	28,731,520 00
Aggregate of debt bearing no interest.....		\$421,880,220 88

Recapitulation.

	Amount Outstanding.	Interest
DEBT BEARING INTEREST IN COIN—Bonds at 5 p. cent.....	\$221,589,300 00	
Bonds at 6 p. cent.....	1,865,347,500 00	
Total debt bearing interest in coin.....	\$2,107,936,800 00	\$52,024,84 58
DEBT BEARING INTEREST IN LAWFUL MONEY—		
Certificates at 3 per cent.....	\$47,640,000 00	
Navy pension fund, at 3 per cent.....	14,000,000 00	
Total debt bearing interest in lawful money.....	\$61,640,000 00	1,211,900 00
DEBT ON WHICH INT. HAS CEASED SINCE MATURITY.....	4,389,986 64	579,993 16
DEBT BEARING NO INTEREST—		
Demand and legal tender notes.....	\$336,113,233 50	
Postal and fractional currency.....	37,031,442 38	
Certificates of gold deposited.....	28,731,520 00	
Total debt bearing no interest.....	\$421,880,220 88	
Total.....	\$2,595,847,100 00	\$53,807,736 74
Total debt, prin. & int., to date, including coupons due not presented for payment.....		\$2,649,654,44 26

* These bonds are redeemable at any time after 5 years from the date here given and payable after 20 years.

† These bonds are redeemable at any time after 10 years from the date here given and payable 40 years.

AMOUNT IN THE TREASURY—

Coin.....	\$116,994,211 69
Cur.ncy.....	7,248,265 11
Sinking fund in United States coin int'l bonds, and acc'd interest thereon	18,366,401 47
Other United States coin interest bonds purchased, and accrued interest thereon.....	46,020,546 58
Total.....	\$188,529,324 85
Debt, less amount in the Treasury.....	\$2,461,181,189 36
Debt, less amount in the Treasury on the 1st ultimo.....	2,468,486,072 11
Decrease of debt during the past month.....	7,363,882 15
De. rease of debt since March 1, 1869.....	\$64,32,070 65

Bonds issued to the Pacific Railroad Companies, Interest payable in Lawful Money.

Character of Issue.	Amount outstanding.	Interest accrued and not yet paid.	Interest paid by United States.	Interest repaid by Int'l trans'p'n by States, of m'ls, &c.	Balance of Int'l paid by United States.
Union Pacific Co.....	\$36,688,000 00	\$3,338 97	\$2,081,969 69	\$1,105,941 51	\$973,238 30
Kansas Pacific, late U.P.....					
E. D.....	6,308,000 00	126,070 00	834,813 00	631,224 99	203,588 10
Sioux City and Pacific.....	1,628,320 00	32,561 40	96,508 69	16 27	96,491 42
Central Pacific.....	2,862,000 00	41,542 23	588,816 83	94,236 48	1,634,960 10
Central Branch Union Pacific, assignees of Atchison & Pike's P'k.....	22,009,000 00	439,594 86	1,180,399 75		
Western Pacific.....	1,600,000 00	32,000 00	205,808 26	5,260 79	200,517 47
	1,643,000 00	10,313 64	46,806 03		46,806 03
Total issued.....	62,188,320 00	1,15,350 09	4,984,222 51	1,836,730 04	3,148,092 50

DEBT OF NORTH CAROLINA.

A pamphlet upon the debt of North Carolina has recently been issued by H. Bowlby Wilson, Esq., No. 7 Nassau street, which contains a very complete statement of the present situation of the financial affairs of that State. We have only space to give a summary of the valuable contents of this pamphlet, and those of our readers who are interested in the subject will do well to procure a copy for careful perusal.

OF THE DEBT OF NORTH CAROLINA AT THE COMMENCEMENT OF THE CURRENT FISCAL YEAR, OCTOBER 1ST, 1868, AND APPROPRIATIONS SINCE MADE, IN CONFORMITY WITH SECTION 5 AND 8 OF ARTICLE V. OF THE NEW CONSTITUTION, IN AID OF UNFINISHED PUBLIC WORKS. THOSE MARKED WITH AN ASTERISK, THUS (*), ARE SPECIAL TAX BONDS.

Name of Corporation.	Date of New Issues.	Jan. & July Amount.
Reported October 1, 1868.....		\$10,973,245
Western (Coalfield) R. R. Co.....	July 1, 1868,	500,000
*Atlantic, Tennessee & Ohio R. R. Co.....	July 1, 1869,	2,000,000
*Wilmington, Charleston & Rath. R. R. Co.....	July 1, 1869,	4,000,000
		\$16,773,245
Reported October 1, 1868.....		April & Oct.
Bonds for funding interest.....		\$4,936,700
*Williamston & Tabor R. R. Co.....	Oct 1, 1868,	2,000,000
*Western N. C. R. R. (Eastern Division).....	" "	800,000
* " " " (Western ").....	" "	340,000
* " " " (Eastern ").....	April 1, 1869,	4,000,000
*Northwestern N. C. R. R. Co.....	" "	2,666,600
*Western (Coalfield) R. R. Co.....	" "	838,400
		1,440,000
		1,600,000
		\$17,516,700
January and July Bonds.....		\$16,773,245
April and October Bonds.....		17,516,700
		\$34,289,945
Chargeable on general revenue.....		\$18,049,945
Special tax or preferred debt.....		16,240,000
Total debt.....		\$34,289,945

The old and new debts appear to hold the same rank as charges on the revenue.

Mr. Wilson remarks on the debt as follows: "It will be seen that the total debt of North Carolina amounts to a little over thirty-four and one quarter millions of

dollars (\$24,289,945), all of which bears an interest of six per cent, payable half yearly.

"Of this amount eighteen millions and forty-nine thousand nine hundred and forty-five dollars (\$18,049,945) is chargeable, principal and interest, on the general revenues of the State, and sixteen millions two hundred and forty thousand dollars (\$16,40,000) are provided for by special taxes at rates specified in Statement No. 2, which is in conformity with the requirements of Sections 5 and 8 of Article V of the new Constitution. The effect of this legislation is to make the new issue of bonds, since first October, 1868, a preference charge on the entire assessable property of the State. Whatever may be said respecting the policy of creating what, in effect is a preferred debt, the fact nevertheless exists. In other words, the holders of the first class of bonds must rely on the future development of the industrial resources of the State for the means to meet the interest thereon, whilst those who hold the second class will receive prompt payment, if the valuation of the assessable property amounts to enough to cover the whole issue.

The special tax authorized to be levied by the several acts, is equal in the aggregate to 47.08 of one per cent on the whole assessable property of the State, which, as will hereafter be seen, amounts, on a close estimate founded on the last census, to over \$250,000,000. The sum that will accrue and be applicable to the interest on the gross amount of special tax bonds will amount to \$1,177,000, while the interest is only \$974,400, leaving an annual surplus of \$202,600, as a sinking fund.

TENNESSEE DEBT.

The biennial report of the Comptroller of the State of Tennessee, as submitted to the General Assembly, shows the following relative to the State finances:

To balance in the Treasury Oct. 1, 1867, \$589,950 54.

Less the following credits: Over checks in banks, \$ 0,016 30; paid members of the Legislature by Dr. Stanford, Treasurer, \$1,932 84; Bank of Tennessee money, \$311 64; Tennessee National Bank, Memphis, \$58,142 71, making a total of \$90,408 49, which left an actual balance in the Treasury of \$499,547.

Amounts paid into the Treasury on warrants issued for the two years ending Nov. 30, 1869, and on previous issues, \$5,337,529 55. Grand total received and in the Treasury, \$5,887,176 90.

Within the same time there has been paid out of the Treasury \$5,857,967 06; leaving in the Treasury Oct. 1, 1869, \$29,209 54.

The following gives the receipts and expenditures for the first year ending Oct. 1, 1878:

To balance in the Treasury, Oct. 1, 1867, \$499,547 05.

Payments into the Treasury on warrants issued this year, and on former issues, \$2,545,747 49.

Payments out of the Treasury on warrants issued this year, and on former issues, \$3,023,945 52, leaving a balance in the Treasury on the 1st of October, 1868, of \$23,349 02.

The following gives the receipts and expenditures for the second year, ending Oct. 1, 1869:

To balance in the Treasury, Oct. 1, 1868, \$21,349 02.

Payments into the Treasury on warrants issued this year, and on previous issues, \$2,842,209 06.

Payments out of the Treasury on warrants issued this year, and on former issues, \$2,834,348 54.

Balance in the Treasury 1st October, 1869, \$29,209 54.

The following is a statement of the State debt proper:

Turnpike.....	\$1,323,356 66
Bank of Tennessee.....	1,000,000 00
Railroads.....	410,250 00
Hermitage Purchase.....	48,000 00
State Capitol.....	658,000 00
Total.....	\$3,341,606 66
Funded Interest.....	735,533 00
Total.....	\$4,030,159 66

The State has loaned to turnpike roads \$545,000 in bonds.

The following is a statement of the Railroad debt:

State bonds loaned.....	\$26,412,000
Bonds indorsed by the State	2,196,000
Funded interest	3,213,046
Interest to July 1, 1896.....	2,306,477
Total.....	\$34,127,524

Claim of the United States *vs.* Edgefield and Kentucky Railroad assumed, \$180,804.

Claim of the United States *vs.* Memphis and Clarksville Railroad, assumed, \$380,756 24.

This added to the former total, makes \$34,639,084 89.

The total debt, including State debt proper, bonds loaned to turnpikes, bonds loaned to railroads, is, by the above figures, \$39,264,244 55.

Since the war there have been loaned to the railroad companies, in bonds, \$13,292,000, and to turnpike companies, in bonds, \$55,000—making a total of \$13,347,000.

The following despatch is of interest in this connection:

NASHVILLE, Oct. 18.—In the Senate, to-day, the following resolutions were unanimously adopted:

Resolved, That the people of Tennessee will never signalize their restoration to the control of public affairs by countenancing, in any manner, a disregard of their public obligations.

Resolved, That under strict retrenchment and rigid economy in all other respects, all the available revenues and resources of the State should be faithfully appropriated to the payment of the interest on our bonded debt, and the security of the principal at maturity, for which they are in honor bound.

Mr. A. J. Fletcher, Secretary of State of Tennessee, in a letter to the New York *Times* remarks that statements to the effect that the business of cancelling old bonds and issuing new ones has been conducted in a careless manner, without full and accurate record of transactions, are all untrue, and that all the proper books have been kept and the business conducted with the usual care practiced in such operations. He says further:

"Any able business man, if he could be untrammelled, can take charge of the finances of Tennessee, and by a judicious management of the State's lien on her railroads, reduce the debt of the State in twelve months to nine million dollars—a sum that the people of the State would not be conscious of. Half of the entire debt rests upon the railroad companies who pay their interest without difficulty, and who are already considering the project of buying in the bonds of the State to an extent sufficient to extinguish their entire liability to the State. This would certainly be sound financial policy on their part, and as the Louisville and Nashville Railroad Company has done so, strong hopes are entertained that other companies will follow.

"Your correspondent gives the new bondholders the comforting assurance that their interest will not be paid for ten years. The duration of the suspension of the payment of the interest on the State debt will depend upon the action of the Legislature, now about to commence. Some of the ablest men in the State are members of that body, including learned lawyers and experienced business men and large property holders. Of course no prediction can be safely made as to the duration of the suspension, but there is no reason why payment should not be resumed in two years.

TESTS OF STEEL RAILS.

The circular of Messrs. John A. Griswold & Co., of Troy, New York, thus describe their method of testing steel rails:

"1st. A testing ingot from each five-ton ladleful of liquid steel is hammered into a bar and tested for malleability and hardness, and especially for toughness, by bending it double cold. In case any test bar falls below the standard established as suitable for rails, all the ingots cast from that ladleful of steel are laid aside for other uses.

"2d. All the ingots, and each rail rolled from them, are stamped with the number

of the charge or ladleful. A piece is cut from one rail in each charge, and tested by placing it on iron supports a foot apart, and dropping a weight of five tons upon the middle of it from a height proportioned to the pattern of rail. A blow equivalent to a ton weight falling 10 to 15 feet is considered a severe test. We use a five-ton weight falling from a less height, believing that it more nearly represents in kind (although it of course exaggerates in severity) the test of actual service in the track.

"In case a test rail does not stand the blow deemed proper and agreed upon, the whole of the rails made from that charge or ladleful of steel are marked No. 2, and sold for use in sidings, where their possible breaking would do no great harm, and where their greater hardness and resistance to wear would be specially valuable.

"In addition to this double test, the rails are rigidly inspected for surface imperfections.

"We believe that these tests render it practically impossible for us to send out rails of inferior quality.

"We further invite railway companies to send inspectors to our works to witness the tests mentioned, and other tests and inspections agreed upon."

RAILROAD ITEMS.

NORTH CAROLINA RAILROAD.—The report of this company for the year ending May 31, 1869, shows that the earnings and expenditures are as follows:

EARNINGS.	
From passengers	\$196,187 95
" freight	354,140 90
" mails	16,725 00
" rent of cars	4,943 64
Total	\$581,897 49

EXPENDITURES.	
Conducting transportation	\$103,174 62
Loss and damage	2,556 61
Maintenance of motive power	25,879 63
Maintenance of cars	37,543 27
Maintenance of road	92,703 27
Buildings and bridges	10,901 23
New railroad iron, chairs and spikes	72,656 34
Subsistence for hands	17,479 66
Total	\$401,110 87

Net operating expenses	\$261,233 00
Leaving as net income over operating expenses	320,664 40

Of the above amount \$139,877 is regarded as extraordinary expenditures.

The earnings and expenses for four years past have been as follows:

	Passengers.	Freight.	Total.
For year ending May 31, 1866	\$198,663	\$599,730	\$798,392
" " May 31, 1867	201,762	316,797	519,559
" " May 31, 1868	172,775	365,165	537,940
" " May 31, 1869	196,188	385,710	581,898

Expenses for the fiscal year ending—

	Old.	New.	Total.
May 31, 1866	\$71,045 33	\$913,320 46	\$984,375 79
" 31, 1867	244,323 49	444,132 74	690,456 23
" 31, 1868	97,130 79	411,395 64	508,526 43
" 31, 1869	88,972 99	401,110 87	470,083 86

The debt of the company, as shown in the financial statement, is \$677,959 04. Considering the assets on hand of \$110,522 93 applied to this debt, we have the sum of \$567,336 11, and from this take the probable deduction of \$33,656 39, which will be on the Negro bonds given in 1864 and 1865, and it will leave a debt of \$533,679 72. The President remarks:

"It is the desire of the administration to have all the debt in the mortgage bonds of the company running twenty years. Of this debt there is \$146,000 in the twenty year bonds, to which add \$15,230, the balance on Dividend No. 9, and the scrip

which is convertible into such bonds, and it makes \$161,230, which sum will reduce the debt to be changed into the twenty year bonds to \$372,449 72, which change can be easily effected by the assistance of our stockholders.

"To manage the road with success and pay dividends, to give it credit in the financial circles, and even along its line, it is necessary that its present liabilities be so arranged that its current expenses can be paid promptly, and the dividends and other debts cashed by the Treasurer as they are made or become due. The financial statement shows why no dividend is declared. I consider it just to the stockholders that not less than six per cent be paid, and that in cash. It is very unwise to pay dividends in the bonds of the corporation when it subjects the bonds to such heavy discounts as have been the past year, which, if continued, would soon lead to bankruptcy, thereby depriving you of your all—your stock.

AMOUNT OF BONDS ISSUED UNDER THE MORTGAGE.

"At your annual meeting in 1867 it was ordered that \$800,000 first mortgage bonds be issued, and at your last annual meeting a resolution was passed authorizing the President and Directors to issue \$700,000 more—making in all \$1,500,000, the total amount of mortgage on the road.

"It has not been necessary to issue any Bonds under the last resolution of your Company. We have on hand at present \$193,500 of the \$800,000 ordered to be issued at your annual meeting in 1867.

SINKING FUND.

"The company has paid during the year to the Trustee \$35,000 in the five year bonds, \$30,000 in the ten year bonds, and \$76,500 in the twenty year bonds.

"On the 1st of January next the payments will be \$45,000 in the five year bonds and \$40,000 in ten year bonds. Nothing will be required on the twenty year bonds, as the payment made this year on the amount signed is more than will be required in six years.

AID GIVEN TO THE COLUMBIA AND AUGUSTA RAILROAD COMPANY

"Under authority given in a resolution at your last meeting, the company purchased from the Columbia and Augusta Railroad Company \$100,000 of its bonds at par, for which notes were given to said company in monthly instalments of \$12,500 each, the first being due October 1st, 1868, and the last May 1st, 1869. These obligations have all been paid by our Treasurer as they became due.

"The bonds bought from the Columbia and Augusta Railroad Company have been disposed of at an average discount of 15½ per cent; \$97,000 during this fiscal year and \$3,000 since the close of the year. This \$15,000 discount will no doubt soon be replaced by increased travel and freight over our line, caused by the completion of the Columbia and Augusta Railroad to Augusta."

HARTFORD AND NEW HAVEN RAILROAD.—The earnings of this road for the years ending August 31, 1868 and 1869, were as follows:

	1868.	1869.
From passengers.....	\$891,091 20	\$978,830 50
" freight.....	632,454 06	774,786 80
" expresses.....	114,709 50	56,309 41
" mails.....	55,627 28	23,754 48
" rents, etc.....	3,432 35	8,001 01
	\$1,697,384 39	\$1,811,682 20
Expenses, viz.:		
Repairs of road and bridges.....	\$326,427 99	\$312,837 50
Wood, coal and oil.....	96,318 14	111,102 03
Material and labor on engines and cars, and.....		
new cars and engines.....	224,588 88	243,646 91
Transportation account and general expenses.....	325,867 93	347,886 94
Station repairs and improvements.....	48,009 83	55,377 82
Lost and damaged goods, gratuities, etc.....	3,472 79	7,677 36
	\$1,024,935 08	\$1,078,378 55
Net earnings.....	672,899 31	733,303 65
Interest and taxes.....	190,808 50	185,084 24
Balance.....	\$481,510 89	\$548,219 41

Compared with the previous year, the gross earnings of 1868-9 show an increase of \$114,847 81, with an increase in expenses of \$53,443 47—making the increase in net earnings, \$60,904 34. The balance remaining after the payment of interest and taxes is \$66,628 60 more than that of the preceding year.

BALANCE SHEET, AUGUST 31.

Capital stock.....	\$3,300,000 00	Railway building, grounds.....	\$3,407,284 76
Bonds.....	927,000 00	Real estate, land and dwellings..	132,317 43
Contingent fund.....	437,875 65	Bonds purchased.....	38,000 00
Reserve fund.....	15,000 00	T. Milson Bridge stock.....	8,683 67
Profit and loss.....	253,111 41	Equipment engines and cars.....	254,000 00
Dividends un. a'd.....	7,097 00	Wood, s. o. k. and tools on hand..	233,440 07
Debts due by the Co.....	62,895 64	Debits due the company, includ-	
		ing a cons't due from the N.	
		Y & N. H. R. R. Co. adjusted,	
		and funds i. a. h. of agents....	454,697 48
		Connecticut River Bridge.....	176,577 31
		to the Mount Orient.....	196,063 81
		N. W. Wharf, New Haven.....	45,823 57
		Wind-o Locks and Suffield R.	
		R. Co.....	1,744 18
		Cash.....	158,377 37
	\$5,126,789 70		\$5,126,789 70

At the meeting of stockholders it was resolved to accept the legislative permission to issue \$3,000,000 new stock.

EAST TENNESSEE AND GEORGIA RAILROAD.—The report for the year ending June 30, 1869, shows the gross earnings and expenses as follows:

EARNINGS.

From freight.....	\$271,587 97
“ Express.....	10,725 04
“ Passengers.....	208,949 16
“ Transportation, United States.....	5 1 89
“ Mail.....	13,670 02
“ Other sources.....	10,550 48
Total.....	\$515,994 56

EXPENSES.

For transportation.....	\$59,513 74
“ Motive power.....	82,839 13
“ Maintenance of way.....	90,693 35
“ Maintenance of cars.....	53,816 55
“ General expenses.....	15,979 02
“ Extraordinary expenses.....	30,250 05
“ Taxes.....	5,534 51
“ Depot buildings.....	3,379 77
Total.....	\$347,013 13

Which, deducted from the gross earnings, as above, would leave \$168,981 43 net to pay interest to the State of Tennessee and on second mortgage bonds, the interest on which amounts to \$141,460 64. This, taken from the net earnings as above would leave a balance of \$ 7,520 89; of this sum \$14,181 91 has been retained during the year by the Government and credited upon the bond, which leaves on hand for the year's operations \$13,338 98. By comparing these figures with those of the annual report of the year ending June 30, 1868, it will be seen that while the earnings of the present year exceed that of the previous year \$8,080 05, that the expenses have been reduced very greatly. Including extraordinary expenses and all, it has taken 67½ per cent of the gross earnings to operate the road.

The President remarks: “Since the last annual meeting of this company we have succeeded in effecting a settlement with the State of Tennessee, of our interest and sinking fund account, which has been the cause of so much annoyance and trouble since the war; because, from the annual reports of the Comptroller of the State of Tennessee, made to the Legislature, it was made to appear that we were largely in arrears in our semi-annual payments of interest, which the effect to damage our credit, from the fact that outside parties did not know but a receiver might be appointed to take charge of the road, for non-payment of interest due to the State. This apparent difference of the accounts of the Comptroller and the company existed, not from a want on the part of the officers of the State to do us damage, but from honest convictions on their part that they had no right to credit the company with certain payments that had been made after the 1st of January, 1861. But, under

a recent decision of the Supreme Court of the State, all payments made to legally authorized parties upon all contracts were, legal and valid, when they were received without protest. And under this decision of the court a full and complete settlement was made; this company having made these payments to the Bank of Tennessee, the fiscal agent of the State, before the removal of the bank from the State; which settlement, as made, is in accordance with our books and is satisfactory to the State and to the officers of this company.

"The interest due to the State of Tennessee, as well as on our second mortgage bonds, was paid in full on the 1st day of July last."

ABSTRACT OF THE GENERAL CONDITION OF THE EAST TENNESSEE AND GEORGIA RAILROAD COMPANY, ON THE 30TH DAY OF JUNE, 1869.

Capital Stock.....	\$1,200,067 25	One Stat. Bond.....	\$1,000 00
State Scrip.....	29,829 00	One Endorsed Bond.....	1,000 00
State Loan—Old.....	1,637,000 00	Four State Coupons.....	120 00
" New.....	430 377 50	Telegraph Stock.....	750 00
Company Bonds—Old.....	646,100 00	Express Company Stock.....	5,000 00
" New.....	136,400 00	Post Office Department.....	8,032 97
Endorsed Bonds.....	115,000 00	U. S. Transportation Account.....	90,124 00
Coupons Company Bonds.....	7,050 00	Southern Express Co.....	704 06
" End rsed.....	5,700 00	Holston Salt & Plaster Co.....	1,184 00
Bills Payable.....	1,812 49	Due from Agent.....	2,953 09
United States Income Tax.....	1,454 40	" Other Roads.....	31,843 87
Pay Rolls.....	16,236 40	Funds on hand to pay Int. rest,	
Due to Agents.....	324 46	Purchase Iron, Rails, &c.....	94,222 68
" Other Roads.....	19,773 18	Funds in Augusta, Georgia, to	
" Individuals.....	1,420 84	pay interest.....	3,145 96
Interest due 1st July on Com-		Ca h.....	23,261 63
pany and Endorsed Bonds.....	26,712 00	Road and fixtures.....	1,495,764 34
	\$3,759,157 52		\$3,759,157 52

Messrs. Henry Clews & Co. advertise to pay both the April and October coupons on the Special Tax Bonds of the State of North Carolina, at their banking house 32 Wall street.

JEFFERSONVILLE, MADISON, AND INDIANAPOLIS RAILROAD.—The report for the year ending December 31, 1868, has just been issued, and contains the following:—

The gross receipts of the road, during the year 1868, were \$1,068,523 73. As compared with the previous year, when the receipts amounted to \$1,164,799 92, this indicates a decrease of nearly nine per cent. This falling off was caused, in a great measure, by the sharp competition for business that was waged, during a large portion of the year, between the four principal roads known as "trunk lines"—a contest which affected not only the revenues of those particular roads, but of all others, including our own, doing business in connection with them.

By the terms of a written contract between the City of Louisville and the Jeffersonville Railroad Company, dated November 10, 1863, the debt due by the railroad company to the city, then amounting to \$200,000, was to be discharged by the delivery, within five years, of a like amount of any of the outstanding bonds of said city. Pursuant to this agreement, the Jeffersonville Railroad Company delivered \$50,000 of such bonds in December, 1863, thereby reducing the debt to \$150,000. Some time before the expiration of the five years mentioned in the contract, this company made a purchase of Louisville city bonds to the extent of \$75,000, and tendered them to the proper authorities of that city in further liquidation of the debt. This tender was unconditionally declined, under advice of the City Attorney, who held the opinion that the contract between the city and the Jeffersonville Railroad Company was illegal and void in so far as it permitted any bonds to be received except the particular issue upon which the debt was based. After this refusal, of course no further steps in the case were taken by the company.

If the decision of the City Attorney is to be regarded as conclusive, it is not believed that our position has been affected unfavorably, since it will only remain for this company to discharge her liability in the premises by redeeming \$150,000 of the bonds originally issued by the city of Louisville to the Jeffersonville Railroad Company, when the same mature, viz.: May 1, 1882, or earlier, should it be deemed desirable and found practicable to do so—meanwhile anticipating events by exchanging for those bonds the securities we now hold, whenever the turn can be made on favorable terms.

The late period at which this report goes to press permits a close estimate to be made of the company's business for the first six months of 1869. The receipts indicate a steady and handsome increase over those for the corresponding months of 1868—sufficient to warrant the belief that the earnings of the present year will considerably exceed those of 1868, if indeed they do not equal those of 1867.

RECEIPTS AND EXPENSES.

RECEIPTS.		EXPENSES.	
Freight.....	\$252,596 18	Fuel.....	\$74,958
Passengers.....	484,546 65	Passenger Expenses.....	84,790
Expenses.....	50,280 90	Freight Expenses.....	116,989
Mail.....	26,106 10	Repairs of Road.....	185,844
		Other Expenses.....	235,986
Total Receipts.....	\$1,063,523 73	Total Expenses.....	\$698,568
		Net earnings.....	\$364,955

The passenger business shows a decrease of \$23,587 69. Eliminating from the passenger accounts for 1867 and 1868, the military transportation performed during the war, but only reported to us and entered on our books during those years, the earnings will appear as follows:

Passenger Receipts for 1867.....	\$458,124 34		
Deduct old Military Reports.....	11,189 98		\$446,944 38
Passenger Receipts for 1868.....	\$434,546 65		
Deduct old Military Reports.....	1,271 10		433,275 55
Decrease.....			\$13,668 83

The falling off in the regular travel is, therefore, only \$13,668 83.

CONDENSED BALANCE SHEET.

Cost of Road and Equipment.....	\$6,027,342	Capital Stock.....	\$2,000,000
Investments—		Funded Debt—	
Jeffersonville R. R. Bonds.....	40,000	Jeffersonville R. R. Bonds.....	397,000
Indianapolis & Madison RR. Bonds.....	197,500	Indianapolis & Madison RR Bonds.....	612,000
City of Louisville Bonds.....	76,000	Jeffersonville, Madison & Indianapolis R. R. Bonds.....	1,561,000
Stock in Louisville Bridge Company.....	3,000	Bonds of the City of Louisville.....	150,000
Lake Erie & Louisville Railroad Company.....	194,992	Temporary Bond Account.....	50,000
Outside Real Estate.....	80,863	Surplus fund of the Jeffersonville RR.....	
Bills Receivable.....	12,848	Com any.....	770,445
Cash.....	37,412	Profit & Loss.....	662,193
Due by the United States.....	9,165	Capital Stock Sinking Fund.....	40,442
Due by Railroad Companies.....	78,402	Bills Payable.....	352,833
Due by other Associations and by Individuals.....	100,680	Due to Railroad Companies.....	105,868
Due by Agents.....	64,481	Due to other Associations and to Individuals.....	176,146
Fuel and other Supplies on hand.....	86,245		
			\$7,284,934
	\$7,234,934		

KANSAS PACIFIC RAILWAY.—A correspondent of the *New York Times*, under date of Sept. 26, writes in regard to this road as follows: While acknowledged to be at least as deserving as the Union and the Central Pacific, the Kansas Pacific was not as lucky as its compeers; for when the line had been built to a distance of 393 miles, Congress suddenly shut down on any further subsidy. However, the road was last year, by private enterprise, pushed out some miles further, and it now abuts at Sheridan, 406 miles west of the Missouri River. From Sheridan preparations are under way to extend the line 225 miles to its natural terminus at Denver, whence it will connect with the Union Pacific, by the "Denver Pacific Railroad," now actively under construction and to be finished this year.

THE GOVERNMENT LAND GRANTS.

Government was liberal in its grants of public land to the builders of the Kansas Pacific Road; and it is mainly to this circumstance that the already-mentioned astonishing progress of the State of Kansas is attributable. The concession, as is well known, was of the alternate section within twenty miles of the road on each side. This gave the Company above six million acres of land lying between Kansas City and Denver. It is worthy of remark, in passing, that this provision on the part of the Government (by which the railroad receives only the alternate or "odd-numbered" section) is regarded by the people here as an exceedingly wise one, for it completely balks the speculators who would, otherwise, absorb large tracts of land to hold for

a rise. At the same time, parties buying lands in bulk from the railroad company and settling them with actual settlers, are enabled to obtain, under the Homestead law, the adjoining ("even-numbered") sections from Government.

ACTION OF THE RAILWAY CORPORATION—LAND SALES.

To people the wilderness through which the road runs was, of course, the first care of the corporation, and to this end judicious measures were taken. The Company has been selling and is going to sell, at very low prices, farms to actual settlers.

In a general way, then, I may state that the Kansas Pacific Road has this year sold upwards of 275,000 acres. With unimportant exceptions these sales have been made to actual settlers, as, indeed, is sufficiently evinced by the fact that the purchases have been from 80 to 320 acres each, and that the sales have been made to over 2,000 different individuals. The price has varied from \$2 to \$6 per acre. The gross receipts of the Kansas Pacific Company from these land sales have reached the large aggregate of above \$600,000, which would make the price per acre something less than \$3. These sales are increasing in a wonderful ratio, while the perfect satisfaction which emigrants have found in the climate, soil and rich agricultural rewards of Kansas forms a powerful attraction with those who hear from their old neighbors such good accounts. Nor is this movement confined to our own countrymen; for, owing to the systematic organization of the National Land Company, which works in concert with the Kansas Pacific Road, very large sales of land have of late been made to English, German and Swedish colonists. Here, for instance, are two or three illustrations. They are samples from among many.

ENGLISH AND GERMAN COLONIES.

1. A single English colony a few weeks ago, bought 30,000 acres of land here. The tract is to be divided among no less than twelve hundred different families, the families of well-to-do English farmers and artisans. I saw a score of these families, who have already arrived. They bring with them the means to stock their farms, and build themselves houses, and they have already bought mowing machines, feed for their cattle, &c. 2. A German colony has recently bought some 24,000 acres north of Junction City, (130 miles west of the Missouri,) upon which one hundred and twenty families are to be established. 3. A Swedish colony, a year ago, bought 15,000 acres south of Salina. This colony has already sent out over two hundred families."

COMMERCIAL CHRONICLE AND REVIEW

Monetary Affairs—Rates of Loans and Discounts—Bonds sold at New York Stock Exchange Board—Price of Government Securities at New York—Course of Consols and American Securities at New York—Opening, Highest, Lowest and Closing Prices at the New York Stock Exchange—General Movement of Coin and Bullion at New York—Course of Gold at New York—Course of Foreign Exchange at New York.

October has passed with an easier condition of the money market than was expected. Notwithstanding the abundance of the crops, the amount of currency sent from this centre for moving them has been much less than usual. This fact arises partly, perhaps, from the reduced prices of produce, but principally from the circumstance of the banks not having had sufficient small notes to meet the wants of the agricultural sections, where the lower denominations of currency are required for the purchase of grain from the producers. This circumstance, while it has helped to keep money comparatively abundant here, so that the rate on call loans has ranged, in the midst of the crop season, at 4@7 per cent, must be expected to be followed by an unusually light return of currency after the completion of the crop movement. Some considerable amounts of money were sent, early in the month, to New Orleans and Savannah; but, later, the demand from that quarter ceased almost entirely. The South would, undoubtedly, have drawn upon New York more freely, had the banks been able to supply small

currency; to send notes in denominations of over \$50 was of no avail, when the money was required largely by interior dealers for the purchase of small lots of cotton. The cotton traders have, consequently, been compelled to effect their operations as best they could, though, of course, with some inconvenience. Throughout the month the deliveries of new currency of the lower denominations from the Treasury have been quite nominal. The expectation of an ample supply of small notes in November, and the supposition that money might then be sent out more freely to the South and West, have induced the banks to keep their funds as much as possible on call, in preference to employing them on time. Merchants have, consequently found it difficult to get their paper discounted outside their own banks, and the difficulty in selling notes has again increased the pressure from sellers, which, in turn, has produced distrust among buyers, and at the close of the month, the best paper was negotiated with difficulty at 10@12 per cent. This stringency in the discount market has, perhaps, been the most unsatisfactory feature of the business of the month.

Wall street speculation still shows the effect of the severe blow dealt in the culmination of the September gold operations. That denouement gave an exposure of the hollowness of a certain class of speculative operations which appears likely to hold the gambling propensities of the "street" hereafter in severe check. Operators appear disposed to conduct their speculations within a lower range of prices; and in every branch of business there is a very marked caution. There is a certain undefined hesitancy about engaging in operations for high prices, which appears to be inspired by a conviction, grounded upon the general aspect of affairs, that we are on the eve of a generally lower range of values. The markets have been more or less affected by a disposition to discount the probability that Secretary Boutwell, in his report on the assembling of Congress, will make decidedly conservative recommendations, designed to facilitate the resumption of specie payments; and this feeling is encouraged by intimations, coming from quarters which give them some weight, that the Supreme Court will pronounce the Legal Tender Act unconstitutional. Notwithstanding these conservative tendencies, there has been a steady recovery in Wall street interests from the effects of the November panic, confidence being more settled and prices steadier. As an illustration of the contraction of speculative operations, it may be stated that the total recorded transactions in stocks for the month have been only 447,911 shares, against 2,362,277 shares in the same month of 1868; while the sales of Government bonds at the Exchange have been only \$10,608,500, as against \$23,479,150 in October of last year.

United States bonds have been decidedly weak, prices being, at the close of the month, about 2 per cent below the opening figures; which, taking into account the accumulation of one month's interest, is equal to a decline of fully 2½ per cent. Considerable sales have been made by investors and financial institutions with a view to buying other securities, which, since the late panic, have ruled exceptionally low, while Government's had yielded comparatively little. The price of gold also has steadily declined; and, the quotations for bonds abroad having but partly responded to the reduced premium, a fall in securities here was required to equalize the home and foreign markets.

The purchases of bonds by the Government, during the month aggregated \$10,000,000.

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1868.	1869.	Inc.	Dec.
U. S. bonds.....	\$23,479,150	\$10,698,500	\$.....	\$12,370,650
State & city bonds.....	11,745,110	4,990,500	.....	6,148,600
Company bonds.....	2,031,400	1,214,500	.....	816,900
Total—October.....	\$26,083,650	\$16,819,500		\$19,836,150
Since January 1.....	195,521,090	273,234,609	\$77,718,519	

The daily closing prices of the principal Government securities at the New York Stock Exchange Board in the month of October, as represented by the latest sale officially reported, are shown in the following statement :

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

Day of month.	5's, 1881.		5's, (5-20 yrs.) Coupon.				5's, 10-40	
	Coup.	Reg.	1862.	1864.	1865.	new.	'67.	C'ntr.
1.....	119%	119	120	119%	119%	117%	118%	109%
2.....	119	119%	.....	119%	119%	117%	117%	.....
3.....	119%	.....	119%	119%	117%	117%	117%	108%
4.....	119%	118%	119%	118%	117	117%	117%	108%
5.....	119%	.....	119%	118%	.....	117%	117%	108%
6.....	119%	.....	119%	118%	117%	117%	117%	108%
7.....	119%	.....	119%	118%	117%	117%	117%	108%
8.....	120%	.....	120%	119%	118%	117%	117%	108%
9.....	.....	119%	120%	119%	118%	117%	117%	108%
10.....	119%	119%	120%	.....	118%	117%	118%	108%
11.....	119%	.....	120	119%	118	117%	118	108%
12.....	119%	.....	120	119%	118	117%	118	108%
13.....	119%	.....	120	119%	118	117%	118	108%
14.....	119%	.....	120	119%	118	117%	118	108%
15.....	119%	120	120%	.....	117%	117%	118	108%
16.....	.....	.....	.....	119%	117%	117%	117%	108%
17.....	119%	119%	120%	.....	118	117%	118	108%
18.....	119%	119%	.....	119%	118%	117%	118%	108%
19.....	119%	119%	120%	119%	118	117%	118	108%
20.....	119%	119%	120%	119%	118	117%	118	108%
21.....	11%	120%	120%	119%	117%	117%	117%	108%
22.....	119%	120	121	119%	120	117%	117%	108%
23.....	120	120%	.....	119%	117%	117%	117%	108%
24.....	120	.....	119%	118%	117%	117%	117%	108%
25.....	119%	119%	120%	118%	119%	117%	117%	108%
26.....	119%	119%	119%	118%	119%	117%	117%	108%
27.....	119%	119%	119%	118%	119%	117%	117%	108%
28.....	119%	119%	119%	118%	119%	117%	117%	108%
29.....	119	.....	119%	117	118	116%	116%	108%
30.....	119%	.....	119%	117%	118%	116%	116%	108%
First.....	119%	119	120	119%	119%	117%	118%	109%
Highest.....	120%	120	121	119%	120	118%	118%	109%
Lowest.....	119	118%	119%	117	117	116%	116%	107%
Last.....	119%	119%	119%	117%	119%	116%	116%	107%

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON

Date.	Cons for mon.	U. S. 5-30s	Am. securities. Ill.C. Erie sh's. Erie sh's.	Date.	Cons for mon.	U. S. 5-30s	Am. securities. Ill.C. Erie sh's. Erie sh's.
Friday	1	93	84 1/2	94 1/2	22	93 1/2	81 1/2
Saturday	2	93	84 1/2	94 1/2	23	93 1/2	81 1/2
Sunday	3	93	84 1/2	94 1/2	24	93 1/2	81 1/2
Monday	4	93 1/2	84 1/2	94 1/2	25	93 1/2	81 1/2
Tuesday	5	93 1/2	84 1/2	94 1/2	26	93 1/2	81 1/2
Wednesday	6	93 1/2	84 1/2	94 1/2	27	93 1/2	81 1/2
Thursday	7	93 1/2	84 1/2	94 1/2	28	93 1/2	81 1/2
Friday	8	93 1/2	84 1/2	94 1/2	29	93 1/2	81 1/2
Saturday	9	92 1/2	84 1/2	94 1/2	30	93 1/2	81 1/2
Monday	11	92 1/2	84 1/2	94 1/2			
Tuesday	12	93 1/2	84 1/2	94 1/2			
Wednesday	13	93 1/2	84 1/2	94 1/2			
Thursday	14	93 1/2	84 1/2	94 1/2			
Friday	15	93 1/2	82 1/2	94 1/2			
Saturday	16	93 1/2	82 1/2	94 1/2			
Monday	18	93 1/2	82 1/2	94 1/2			
Tuesday	19	93 1/2	82 1/2	94 1/2			
Wednesday	20	93 1/2	81 1/2	95 1/2			
Thursday	21	93 1/2	81 1/2	95 1/2			
Friday	22	93 1/2	81 1/2	95 1/2			
Saturday	23	93 1/2	81 1/2	95 1/2			
Sunday	24	93 1/2	81 1/2	95 1/2			
Monday	25	93 1/2	81 1/2	95 1/2			
Tuesday	26	93 1/2	81 1/2	95 1/2			
Wednesday	27	93 1/2	81 1/2	95 1/2			
Thursday	28	93 1/2	81 1/2	95 1/2			
Friday	29	93 1/2	81 1/2	95 1/2			
Saturday	30	93 1/2	81 1/2	95 1/2			
Lowest		93	81 1/2	93 1/2			
Highest		93 1/2	84 1/2	94 1/2			
Range							
Last		93 1/2	82 1/2	94 1/2			
Low		92 1/2	74 1/2	93 1/2			
Hig		94	81 1/2	93 1/2			
Rng		1 1/2	9 1/2	6 1/2			
Last		93 1/2	82 1/2	94 1/2			

The stock market has been characterized by a dull, cautious movement though with a gradual improvement in prices, and a steady recovery of confidence. The earnings of the roads which report publicly their receipts have

Pacific Mail	80	80%	59%	68%	68%	69%	56%	59%
Boston Water Power	15%	10	13	13	13	14%	13	14
Brunswick City Land .....	.....	.....	.....	.....	9%	9%	9%	9%
Canton	56	56	50	54	53	54	60	59%
Mariposa	8	10%	8	9	9	9%	8	8
do pref.	12%	19	12%	14	16%	18	16	16%
Quicksilver	15%	15%	12	12	12	15	12	14%
West. Union Telegraph	87%	87%	83	86	86%	87	86	86%
Citizens Gas	150	150	150	150	.....	.....	.....	.....
Bankers & Brokers Ass. ....	.....	.....	.....	.....	104	105	104	105
Express—								
American M. Union	35	38	30	30%	31	36	30	35
Adams	56%	57%	49%	51%	53%	58%	52%	57
United States	63	63	50	50	50%	60	49%	58%
Merchant's Union	11%	11%	11	11	.....	.....	.....	.....
Wells, Fargo & Co.	18	19	16	17	18	26%	17	20%

The gold market has presented a remarkable freedom from speculative movements. The wholesome lessons of the panic of September 24th appears to have made a deep impression on the gold operators; so much so, that it has been found impossible, thus far, to establish, in connection with the Gold Exchange, any arrangements for clearing the transactions of dealers, those facilities having in the past very materially contributed to the activity of speculation and to irresponsible parties taking large risks. The general tendency of the market has been downward; the decline having been due to the anticipation of the supply coming from the November interest payments, to the sale of \$11,000,000 of gold by the Treasury, and to a growing feeling that the improving condition of the public finances and the abundance of the exportable crops warrant the expectation of a lower premium. The exports of specie for the month have been quite nominal.

COURSE OF GOLD AT NEW YORK.

Date.	Open'g	Lowest	High't	Closing	Date.	Open'g	Lowest	High't	Closing
Friday	1 130	130	130%	130%	Saturday	23 131%	130%	131%	131
Saturday	2 130%	129%	130%	129%	Monday	25 131%	130%	131%	130%
Monday	4 130	128%	130	128%	Tuesday	26 130%	130%	130%	130%
Tuesday	5 128%	128%	130%	130	Wednesday	27 130%	129%	130%	129%
Wednesday	6 130	130	131	131	Thursday	28 129%	128%	129%	128%
Thursday	7 131%	131%	132	131%	Friday	29 128%	128%	128%	128%
Friday	8 131%	130%	131%	130%	Saturday	30 128%	128%	129%	129
Saturday	9 130%	130%	130%	130%					
Monday	11 130%	130%	130%	130%	Oct., 1869	130	128%	132	129
Tuesday	12 13%	13%	130%	13%	" 1869	140%	133%	140%	133%
Wednesday	13 130%	130%	130%	130%	" 1867	143%	140%	145%	140%
Thursday	14 130%	130	130%	130	" 1866	146	145%	154%	146%
Friday	15 130	130	130%	130	" 1865	144%	144%	149	146%
Saturday	16 130	130	130%	130%	" 1864	192	189	223%	223%
Monday	18 130%	130	130%	130	" 1863	149%	140%	156%	145%
Tuesday	19 130	130	130%	130%	" 1862	121%	122	133%	129%
Wednesday	20 130	130	130%	130					
Thursday	21 130%	130%	131%	130%	S'ce Jan 1, 1869	134%	128%	162%	129
Friday	22 131	130%	131%	131%					

Foreign exchange has been comparatively steady. Importers have been free buyers of bills, but the supply has been well sustained by the liberal exports of cotton and grain.

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. florin.	Bremen. rix daler.	Hamburg. M. banco.	Berlin cents for thaler
1	107% @ .93	522% @ 520	40 @ 40%	78 @ 78%	35% @ 35%	70% @ 70%
2	106 @ 108%	522% @ 520	40 @ 40%	78 @ 78%	35% @ 35%	70% @ 70%
4						
5	109 @ 109%	518% @ 517%	40% @ 40%	78% @ 78%	35% @ 35%	70% @ 70%
6	109 @ 109%	518% @ 517%	40% @ 40%	78% @ 78%	35% @ 35%	70% @ 70%
7	109 @ 109%	518% @ 517%	40% @ 40%	78% @ 78%	35% @ 35%	70% @ 70%
8	109 @ 109%	518% @ 517%	40% @ 40%	78% @ 78%	35% @ 35%	70% @ 70%
9	108% @ 109%	522% @ 520	40% @ 40%	78% @ 78%	35% @ 35%	70% @ 70%
11	108% @ 109%	522% @ 520	40% @ 40%	78% @ 78%	35% @ 35%	70% @ 70%
12	108% @ 109%	522% @ 520	40% @ 40%	78% @ 78%	35% @ 35%	70% @ 70%
13	109% @ 109%	518% @ 517%	40% @ 40%	78% @ 78%	35% @ 35%	70% @ 70%

14.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
15.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
16.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
17.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
18.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
19.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
20.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
21.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
22.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
23.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
24.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
25.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
26.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
27.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
28.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
29.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
30.....	109	@109%	518%	@517%	40%	@40%	78%	@73%	35%	@35%	70%	@70%
Oct., 1869.....	107%	@109%	522%	@515	40	@40%	73	@79	35%	@36%	70%	@71%
Oct., 1868.....	108%	@110%	520	@513%	40%	@41%	79	@79%	35%	@36%	71%	@72%

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Returns of the New York, Philadelphia and Boston Banks.

Below we give the returns of the Banks of the three cities since Jan. 1 :

Date.	NEW YORK CITY BANK RETURNS.											
	Loans.	Specie.	Cir. ul. ton.	Deposits.	L. Tend's.	Ag. c'ear'gs.						
February 6.....	266,541,733	27,939,404	14,246,436	196,601,899	53,424,133	670,329,470						
February 13.....	264,380,467	31,854,331	31,263,451	192,977,860	52,334,952	690,754,499						
February 21.....	263,421,061	28,411,911	34,247,321	187,612,546	50,997,197	701,991,041						
February 27.....	261,371,597	29,832,603	34,217,981	185,216,175	50,835,054	729,116,029						
March 6.....	262,039,883	19,486,634	34,273,885	182,601,437	49,145,269	727,118,131						
March 13.....	261,169,695	17,353,671	34,690,145	1-2,392,458	49,639,621	629,77,566						
March 20.....	263,093,302	15,213,306	34,741,310	183,501,999	50,774,874	730,716,002						
March 27.....	263,909,589	12,073,722	34,777,814	180,113,910	50,355,103	797,987,483						
April 3.....	261,933,675	10,773,889	31,816,916	175,325,789	48,496,359	837,23,698						
April 10.....	257,140,227	8,791,43	31,699,360	171,495,540	48,644,732	810,05,453						
April 17.....	255,184,883	7,811,779	31,436,761	172,203,494	51,001,88	773,395,294						
April 24.....	257,453,074	8,359,660	31,000,51	177,310,080	53,677,898	753,905,766						
May 1.....	260,435,160	9,267,65	31,972,053	183,948,565	56,495,723	738,763,349						
May 8.....	263,486,372	10,081,49	33,936,160	191,838,37	55,103,573	746,540,291						
May 15.....	269,491,897	15,374,769	33,977,793	199,392,449	56,501,356	861,720,880						
May 22.....	270,375,952	15,429,404	33,927,866	199,411,869	57,838,298	788,747,862						
May 29.....	274,935,461	17,371,480	33,940,835	213,035,600	57,810,373	781,148,461						
June 5.....	275,919,609	19,051,133	33,922,905	199,124,042	51,329,429	766,28,026						
June 12.....	271,983,785	19,053,580	34,144,790	193,886,905	50,359,258	850,006,646						
June 19.....	265,341,906	19,025,444	34,198,829	189,214,10	49,612,483	831,224,021						
June 26.....	260,431,733	20,271,740	34,214,785	181,774,695	48,163,920	761,170,743						
July 3.....	258,968,471	23,520,267	34,217,973	179,929,467	46,737,263	46,763,300						
July 10.....	255,484,942	20,266,912	31,217,945	183,197,239	48,142,723	676,540,291						
July 17.....	257,008,239	31,035,450	31,173,437	183,431,71	51,539,746	711,323,141						
July 24.....	259,641,839	30,073,434	31,110,748	193,632,261	51,271,862	58,436,097						
July 31.....	260,530,225	27,311,933	31,636,67	196,416,443	56,101,647	614,455,47						
August 7.....	254,819,357	26,003,925	31,917,985	200,224,003	56,056,334	614,875,697						
August 14.....	266,505,65	24,154,499	33,992,257	198,952,711	51,730,039	582,821,627						
August 21.....	262,711,133	21,394,510	34,023,104	192,024,546	53,070,831	563,650,531						
August 28.....	267,012,109	19,169,102	34,999,742	188,754,539	52,792,831	603,801,345						
September 4.....	262,549,89	17,411,722	33,960,235	191,101,036	51,899,782	546,890,378						
September 11.....	263,864,33	14,942,066	33,961,196	188,823,34	51,487,867	791,753,341						
September 18.....	266,498,034	14,588,109	33,972,759	185,390,131	51,259,197	662,419,784						
September 25.....	263,441,823	13,963,431	33,996,081	180,230,793	50,025,631	939,274,472						
October 2.....	255,239,619	15,902,949	34,169,49	183,124,508	54,009,083	782,893,772						
October 9.....	250,749,974	21,513,526	34,173,925	179,214,675	52,017,588	623,380,852						
October 16.....	248,537,931	20,399,070	34,217,114	178,642,936	53,222,504	531,390,262						
October 23.....	249,345,073	19,392,701	34,204,435	175,798,919	52,037,604	581,510,267						
October 30.....	250,946,833	21,960,016	34,136,249	180,828,833	52,177,831	540,450,642						

PHILADELPHIA BANK RETURNS.

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Feb.uary 1.....	52,632,813	32,784	14,296,570	29,677,943	10,592,351
February 8.....	53,039,716	317,051	13,785,593	40,080,399	10,586,552
February 15.....	52,929,391	304,681	13,573,443	33,711,575	10,84,226
February 22.....	52,416,146	211,307	13,208,607	37,990,966	10,458,546
March 1.....	52,251,351	256,933	13,010,503	37,735,203	10,458,546
March 8.....	52,232,000	297,887	13,253,201	38,293,956	10,458,953
March 15.....	51,911,522	277,517	13,028,207	37,571,582	10,459,081
March 22.....	51,328,419	225,037	12,765,759	36,960,009	10,461,406
March 29.....	50,597,103	210,644	13,021,315	36,863,344	10,472,420
April 5.....	50,499,866	189,03	12,169,221	35,373,854	10,522,896
April 12.....	50,770,193	184,246	12,643,357	36,029,133	10,628,166
April 19.....	51,478,371	167,818	12,941,783	37,031,747	10,629,423

Date.	Loans.	Specie.	L. Tend's.	Deposits.	Circulation.
April 26.....	51,394,322	154,361	13,640,083	37,437,285	10,634,407
May 2.....	51,510,982	201,758	14,370,371	38,971,331	10,617,315
May 10.....	51,936,530	270,525	14,623,803	39,478,803	10,617,934
May 17.....	52,168,526	276,167	14,696,305	40,602,742	10,614,612
May 24.....	52,261,764	174,115	15,087,008	41,691,410	10,618,246
May 31.....	52,210,674	185,257	15,484,947	42,247,819	10,618,541
June 7.....	52,236,357	169,316	15,378,388	42,380,330	10,610,390
June 14.....	51,124,800	152,451	15,178,532	42,005,077	10,621,932
June 21.....	53,540,095	148,795	14,972,123	42,066,901	10,617,864
June 28.....	53,661,172	180,684	14,567,327	41,517,716	10,622,704
July 5.....	53,937,521	308,621	14,031,449	41,321,537	10,618,845
July 12.....	53,140,755	485,293	13,415,493	40,140,497	10,618,270
July 19.....	53,128,598	456,750	12,944,889	39,634,862	10,618,700
July 26.....	52,463,100	390,377	13,076,180	39,160,644	10,614,973
August 2.....	51,952,813	384,869	13,618,911	39,717,126	10,610,333
August 9.....	52,022,930	325,216	13,530,061	39,506,405	10,608,381
August 16.....	51,932,991	266,089	13,047,635	39,141,196	10,610,561
August 23.....	52,306,626	244,256	12,977,027	39,040,665	10,608,332
August 30.....	52,038,652	245,515	13,013,213	38,833,414	10,608,824
September 6.....	51,991,372	247,858	13,073,705	39,212,588	10,611,674
September 13.....	51,697,258	169,169	12,906,074	38,945,913	10,612,041
September 20.....	51,703,372	174,855	13,248,598	39,169,536	10,610,655
September 27.....	52,130,402	139,058	13,448,869	39,345,378	10,609,182
October 4.....	52,105,010	177,303	13,335,858	38,485,884	10,598,931
October 11.....	51,597,914	265,111	12,820,357	37,102,575	10,607,345
October 18.....	51,637,261	284,568	12,360,187	37,021,032	10,599,320

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, \$41,900,000.)

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
April 5.....	95,969,714	862,276	11,248,884	33,504,099	24,671,716
April 12.....	99,625,472	750,180	11,391,559	34,392,377	25,398,783
April 19.....	99,115,550	639,460	11,429,995	31,257,071	25,351,814
April 26.....	98,971,711	617,435	12,361,837	35,302,203	25,319,751
May 3.....	100,127,413	708,963	12,352,113	26,735,742	25,330,060
May 10.....	100,555,542	1,387,749	12,513,472	37,457,857	25,324,532
May 17.....	101,474,597	1,134,886	12,688,537	38,708,304	25,300,663
May 24.....	102,042,183	934,560	12,191,542	39,347,881	25,290,389
May 31.....	102,573,378	772,897	13,696,857	38,403,624	25,175,229
June 7.....	103,642,849	640,582	13,454,661	38,491,446	25,292,157
June 14.....	104,352,548	801,743	12,643,615	37,408,719	25,247,667
June 21.....	103,691,658	959,796	12,087,305	36,243,995	25,313,661
June 28.....	102,575,825	1,103,062	11,784,502	34,631,417	25,304,859
July 12.....	102,632,948	8,140,676	9,595,668	34,651,745	25,335,701
July 19.....	101,403,241	8,235,151	9,511,879	31,520,417	25,325,085
July 26.....	102,702,540	8,024,535	9,798,461	35,211,103	25,251,304
August 2.....	103,804,554	2,865,920	10,719,569	37,308,687	25,514,706
August 16.....	103,811,271	2,154,616	10,488,595	34,117,973	25,279,282
August 23.....	102,958,791	2,117,372	11,210,694	34,934,731	25,244,004
August 30.....	103,053,007	1,871,713	11,908,736	35,229,149	25,200,083
September 6.....	103,904,515	1,715,593	11,792,519	37,041,045	25,202,271
September 13.....	104,437,327	1,218,474	12,571,211	37,362,711	25,227,279
September 20.....	104,478,949	915,681	12,747,357	37,086,497	25,377,734
September 27.....	104,375,531	518,579	12,950,087	36,917,664	25,307,121
October 4.....	105,259,208	652,197	12,677,004	36,910,894	25,321,464
October 11.....	104,946,179	1,091,713	11,913,893	34,691,731	25,288,696
October 18.....	104,551,831	1,151,254	11,736,043	34,446,803	25,313,494
October 25.....	103,662,620	1,090,130	11,319,786	34,577,071	25,212,031

WEBSTER'S SYSTEM OF SPELLING AND DEFINING.

The standard authority in all schools in the United States in spelling and pronunciation is the latest revised edition of Webster's Dictionary. At a very early day in the establishment of our common schools Webster's Spellers became the almost universal first lesson book of the young mind, and this still holds its place in the schools of the country, thus inevitably paving the way for the continuation of the system of spelling and defining as given by Webster's series of Dictionaries, and we are therefore not astonished to be told that the sale of these is nearly ten times as great as that of all other dictionaries combined. In order to render the unabridged edition of this work a trustworthy companion of the scholar and student the Messrs. Merriam, the publishers, have spared no expense in procuring the services of the most able linguists and philologists of the present time, to completely revise the edition now offered to the public. It contains some two millions more ems of printed matter than any other dictionary published in this country, and we believe it the most complete work of reference ever produced.